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**TOWN OF GRAND ISLE
LOUISIANA
FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2009**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 2/10/10

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FINANCIAL SECTION

Paul C. Rivera, CPA

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INDEPENDENT AUDITOR'S REPORT

The Honorable David Camardelle, Mayor
and the Board of Aldermen
Town of Grand Isle, Louisiana

I have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Grand Isle, Louisiana, as of and for the fiscal year ended June 30, 2009, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

As discussed in Note D.3 to the financial statements, management has not recorded certain general infrastructure assets in governmental activities and, accordingly, has not recorded depreciation expense on those assets. Accounting principles generally accepted in the United States of America require that those general infrastructure assets be capitalized and depreciated, which would increase the assets, net assets, and expenses of the governmental activities. The amount by which this departure would affect the assets, net assets, and expense of the governmental activities is not reasonably determinable.

In my opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the governmental activities of the Town of Grand Isle as of June 30, 2009, and the changes in financial position thereof, for the year then ended.

In addition, in my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, each major fund, and the aggregate remaining fund information of the Town as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable thereof, and the respective budgetary comparison for the General Fund and the Community Center and Playground District No. 16 Special Revenue Fund for the fiscal year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued a report dated December 27, 2009 on my consideration of the Town's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of my audit.

The Management's Discussion and Analysis on pages 3 through 16 is not a required part of the basic financial statements but is supplementary information required by the accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

My audit was made for the purpose of forming an opinion on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual nonmajor fund financial statements and other information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards included in the Supplemental Information section is also presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information, except for those schedules marked unaudited, on which I express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Paul C. Boring, CPA

December 27, 2009

TOWN OF GRAND ISLE
PO BOX 200 LUDWIG LANE
GRAND ISLE, LA 70358

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Town of Grand Isle, Louisiana, we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town of Grand Isle, Louisiana for the fiscal year ended June 30, 2009.

We encourage readers to consider the information presented here in conjunction with the financial statements, which begin on page 18. All amounts in this discussion, unless otherwise noted, are expressed in thousands of dollars.

FINANCIAL HIGHLIGHTS

- As discussed in Note D.3, the Town was unable to capitalize and depreciate its general infrastructure assets (primarily its streets and roadways) in accordance with generally accepted accounting principles. As such, the governmental activities' assets, net assets, and expenses are understated by an indeterminable amount as of, and for the year ended, June 30, 2009. Cost constraints, as well as various tropical storms and hurricanes, were the primary reasons for not obtaining this data. The Town does expect to have the data for the June 30, 2010 audit.
- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$17,491 (*net assets*). Of this amount, \$13,534, or 77.4 percent, is invested in capital assets, such as building, equipment, vehicles, and infrastructure, net of related debt. \$545 or 3.1 percent is restricted for debt service and the remaining balance of \$3,412 (*unrestricted net assets*) or 19.5 percent may be used to meet the government's ongoing obligations to citizens and creditors.
- The Town's total net assets increased by \$2,018 or 13.0 percent during the current year because total revenues (\$6,746) exceeded expenses (\$4,728) by that amount. See the table below for explanations on why the change occurred. The Town's governmental activities saw an increase of \$2,276, while the business-type activities recorded a loss of (\$258).
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$3,791, an increase of \$492 or 14.9 percent in comparison with the prior year. Approximately \$3,791 or 100.0 percent of this total amount is available for spending at the government's discretion (*unreserved fund balance*). There are, however, some designations that limit the spending of some of these balances (see Note D.6).
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$2,842 or 75.0 percent of total general fund expenditures.
- The Town's Waterworks Utility Fund ended the year with \$5,286 in net assets; however, unrestricted net assets reflected a deficit of (\$394) due to recurring operating losses in this fund.
- Hurricanes Katrina and Rita ravaged the Town and the surrounding areas in August and September 2005. The Town continues to recover and rebuild. In addition, Hurricanes Gustav and Ike struck in September 2008. See Note D.3 and Note E.3 in the financial statements for more details.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to Town's basic financial statements. As noted above, the Town's adoption of GASB Statement No. 34 significantly changed the format and presentation of the Town's financial report. The Town's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The "government-wide financial statements" are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

The "*Statement of Net Assets*" presents information on all of the Town's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The "*Statement of Activities*" presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

Both of the government-wide financial statements are designed to distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The Town's governmental activities include executive, general government, public safety, public works, health and welfare and culture, recreation and tourism functions. The business-type activities of the Town include Waterworks and Gas utilities.

The government-wide financial statements include only the financial activities of the Town. The Town has reports on one "component unit" – the Community Center and Playground District No. 16 Special Revenue fund, which has been "blended" into the Town's operations.

The government-wide financial statements can be found on pages 18 and 19 of this report.

Fund financial statements. A "fund" is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Town's funds are classified into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. "Governmental funds" are used to account for essentially the same functions reported as "governmental activities" in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's *near-term* financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for "governmental funds" with similar information presented for "governmental activities" in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between "governmental fund" and "governmental activities".

The Town maintains nine governmental funds that are grouped for management purposes into various fund types. Information is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances for the General fund and the Community Center and Playground District No. 16 Special Revenue Fund, both of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of “combining statements” elsewhere in this report.

The Town adopts an annual appropriated budget for its General fund and for the Community Center and Playground District No. 16 Special Revenue Fund. A budgetary comparison statement has been provided for each fund to demonstrate compliance with these budgets.

The basic governmental fund financial statements can be found on pages 20 to 25 of this report.

Proprietary funds. The Town maintains one type of proprietary fund – *Enterprise*. Enterprise funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town uses enterprise funds to account for its Waterworks and Gas Utilities.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Waterworks Utilities fund and the Gas Utilities fund, both of which are considered to be major funds of the Town.

The basic proprietary fund financial statements can be found on pages 27 to 29 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government entity. The Town maintains one agency fund to account for donations received from the public for disaster relief. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the Town’s own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on page 30 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 31 to 56 of this report.

Other information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements. Combining statements for nonmajor governmental can be found on pages 60 - 70 of this report. Individual fund statements and schedules, which show additional detailed financial information of some of the funds, are found on pages 72 to 85. Other information, which includes a Schedule of Expenditures of Federal Funds and other state-required schedules, is included on pages 89 to 96.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Town, assets exceeded liabilities by \$17,491 at June 30, 2009.

A large portion of the Town's net assets (77.4 percent) reflects its investment in capital assets (e.g., land, buildings, furniture and fixtures, machinery, vehicles and equipment, and infrastructure); less any related debt used to acquire those assets that are still outstanding. The Town used these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Town's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other resources, since the capital assets themselves cannot be used to liquidate these liabilities.

TOWN OF GRAND ISLE, LOUISIANA NET ASSETS

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$ 4,313	\$ 3,722	\$ (316)	\$ (280)	\$ 3,997	\$ 3,442
Restricted assets	0	0	587	525	587	525
Capital assets	8,316	6,528	13,851	14,251	22,167	20,779
Total assets	12,629	10,250	14,122	14,496	26,751	24,746
Long-term liabilities outstanding	123	119	8,549	8,665	8,672	8,784
Payable from restricted assets	0	0	35	34	35	34
Other liabilities	522	423	31	32	553	455
Total liabilities	645	542	8,615	8,731	9,260	9,273
Net assets:						
Invested in capital assets, net of related debt	8,193	6,409	5,341	5,627	13,534	12,036
Restricted	0	0	545	484	545	484
Unrestricted	3,791	3,299	(379)	(346)	3,412	2,953
Total net assets	\$ 11,984	\$ 9,708	\$ 5,507	\$ 5,765	\$ 17,491	\$ 15,473

The balance of *unrestricted net assets* of \$3,412 (or 19.5 percent) may be used to meet the government's ongoing obligations to citizens and creditors. The \$545 balance (or 3.1 percent) of *restricted assets* is held by the Waterworks Utility fund as required by bond indentures.

At June 30, 2009, the Town is able to report positive fund balances in all three categories of net assets, although the business-type activities does report a deficit of \$(379) in unrestricted net assets.

The Town's net assets increased by \$2,018 (or 13.0 percent) during the current fiscal year. A breakdown of the increases and decreases follows.

**TOWN OF GRAND ISLE, LOUISIANA
CHANGES IN NET ASSETS**

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program revenues:						
Charges for services	\$ 829	\$ 798	\$ 186	\$ 213	\$ 1,015	\$ 1,011
Operating grants and contributions	493	482	497	542	990	1,024
Capital grants and contributions	2,455	1,129	45	15	2,500	1,144
General revenues:						
Property taxes	299	270	170	188	469	458
Sales taxes	499	402	-	-	499	402
Franchise taxes	71	75	-	-	71	75
Licenses and permits	138	158	-	-	138	158
Intergovernmental	6	8	-	-	6	8
Gaming fees and commissions	516	547	-	-	516	547
Unrestricted interest	42	90	7	19	49	109
Gain on sale or disposal of assets	16	(5)	-	-	16	(5)
Unrestricted gifts and donations	345	1	-	-	345	1
Miscellaneous	132	30	-	-	132	30
Total revenues	5,841	3,985	905	977	6,746	4,962
Expenses:						
Public safety						
Executive	87	82	-	-	87	82
General government	1,223	1,280	-	-	1,223	1,280
Public safety	551	490	-	-	551	490
Public works	1,162	906	-	-	1,162	906
Health and welfare	111	127	-	-	111	127
Culture, recreation and tourism	428	324	-	-	428	324
Interest on long-term debt	3	3	-	-	3	3
Water	-	-	880	890	880	890
Gas	-	-	283	298	283	298
Total expenses	3,565	3,212	1,163	1,188	4,728	4,400
Increase in net assets	2,276	773	(258)	(211)	2,018	562
Net assets - Beginning of year	9,708	8,935	5,765	5,976	15,473	14,911
Net assets - end of year	\$ 11,984	\$ 9,708	\$ 5,507	\$ 5,765	\$ 17,491	\$ 15,473

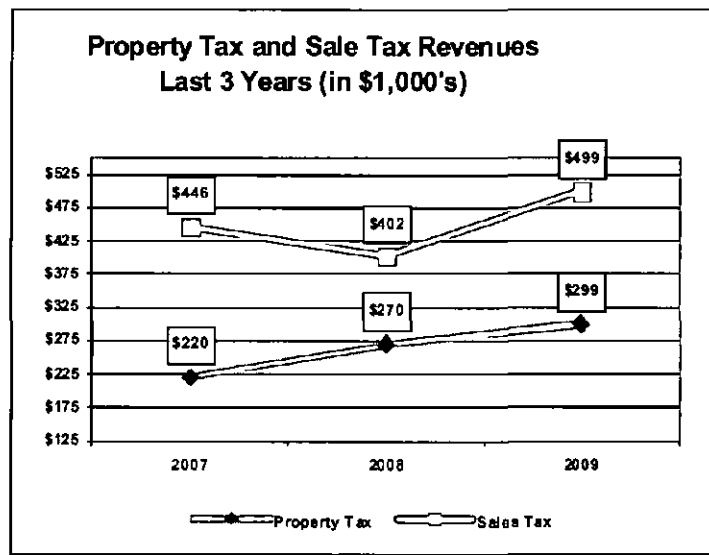
Governmental Activities. Governmental activities increased the Town's net assets by \$2,276. Key elements of this increase are as follows:

- The program revenue "charges for services" represents money received from the public. The total amount received during 2009 was \$829, an increase of \$31. Of this amount, \$109 was received by the general government function (\$21 from property tax collection charges, \$62 from inspection fees, and \$26 from interdepartmental admin charges); \$104 from public safety (fines and costs); \$473 from public works (sanitation fees); \$141 came from health and welfare (mosquito fees); and \$2 from culture, recreation and tourism (mostly from the community fair). \$31 of the increase in general government revenues was caused by the implementation of inspection fees due to the hurricanes causing the need for more services. Fines and fees were down (\$10). Sanitation fees increased \$54 as the rebuilding effort creates construction debris. Mosquito fees were down (\$36) due to a drop in properties services after the hurricanes. Culture and recreation dropped (\$9) due to the cancellation of the fair.
- Operating grants for governmental activities totaled \$493, an increase of \$11. Of this amount, \$25 is recognized in the general government function (from a State Code Council grant), \$188 is recognized in the public works function (\$13 from a State DOTD maintenance contract and \$175 from the State "parish road

fund” allocation), and \$280 was recognized by the Culture, Recreation and Tourism function (\$264 from parish dedicated ad valorem taxes for the Community Center and Playground District No. 16 fund, \$3 from the State for a beach water quality program, and \$13 from State tourism funds). The increase was mostly due to decreases in the two state grants and by increases in the parish road fund allocation from the state.

- **Capital grants** for governmental activities totaled \$2,455, an increase of \$1,326 from last year. Of this amount, \$2,455 was received in the general government function (from FEMA for public disaster assistance related to Hurricanes Katrina, Gustav and Ike). The majority of the increase relates to the pump station rehabilitation projects being performed under a claim from Hurricane Katrina.

- **Property taxes** for governmental activities totaled \$299 for the year, an increase of \$29. This increase is primarily due to increases in the tax levies on the 2008 tax roll. This was a reassessment year. The Town rolled forward their millage rates to collect the maximum amounts authorized by the voters. The Town’s millage rate was 7.17 mills on the 2008 tax roll (which is the 0.09 more than last year).



- **Sales taxes**, including motor vehicle taxes, totaled \$499, an increase of \$97 from last year. These taxes are collected for various reasons – general government, drainage, law enforcement, and tourism. The increase reflects continuing rebuilding efforts in the immediate aftermath of Hurricane Katrina three years ago and Hurricanes Gustav and Ike this past fall.

- **Franchise taxes** totaled \$71 for 2009, a decrease of (\$4). This revenue comes from two sources - \$54 from the electric utility and \$17 from the cable utility. The decrease was primarily in cable service as the Town had to evacuate in the aftermath of the hurricanes.

- **Licenses and permits** for business and insurance activities within the Town totaled \$138 for 2009, down (\$20) from last year. Decreases reflect the drop in the number of businesses and residents rebuilding after the hurricane (rebuilding was nearing completion from Katrina).

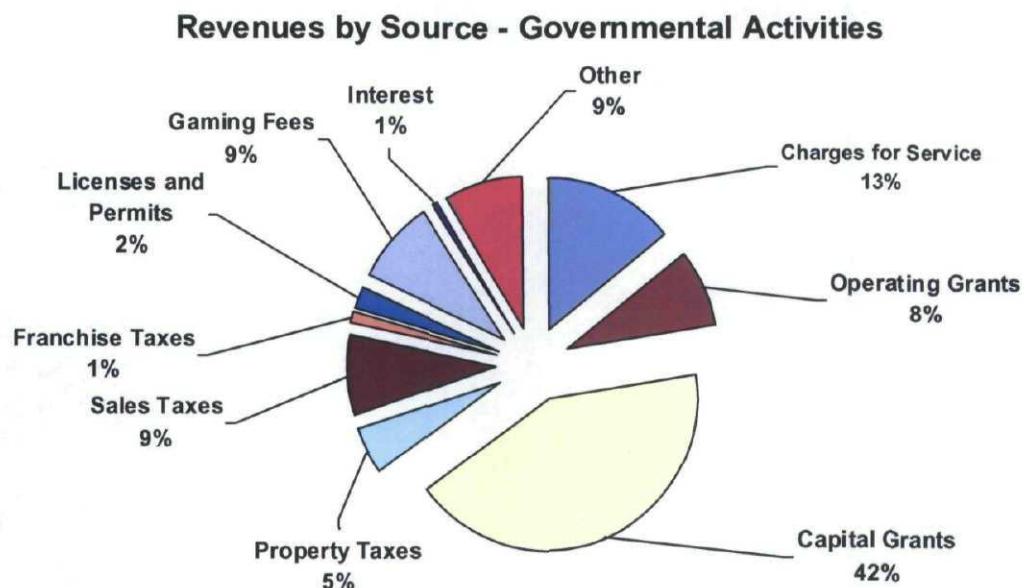
- **Gaming fees and commissions** for governmental activities totaled \$516 for 2009, a decrease of \$(31). This amount comes from two sources - \$465 from riverboat admission fees received from the Parish for the Boomtown casino and \$51 from video poker commissions for machines located in the Town. The riverboat commissions were down \$(33) as the increased gaming seen in the year after the hurricane dissipates as out-of-state workers begin to leave the area and the economy tightens.

- **Unrestricted interest** totaled only \$42, down (\$48) from last year. This reflects the historically low interest rates seen over the past year due to the national financial crisis.

- **Unrestricted gifts and donations** totaled \$345. This amount came from corporate donations in the aftermath of Hurricanes Gustav and Ike.

- **Miscellaneous income** was \$132, up \$92. This increase is primarily due to insurance proceeds received related to the hurricanes.

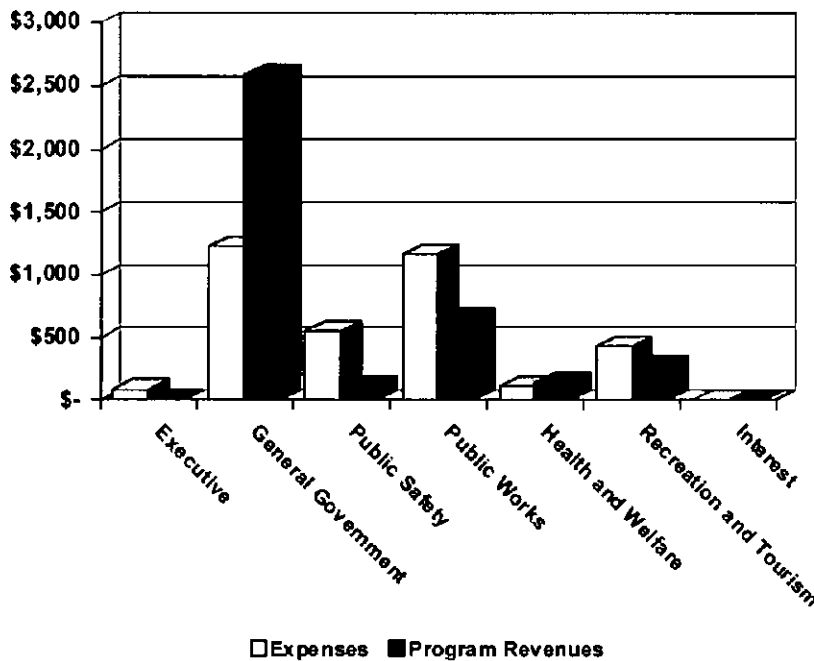
A breakdown of the revenues received by the Town's governmental activities is as follows:



For 2009, expenses totaled \$3,565, an increase of \$353 from 2008. \$87 was in the Executive function which accounts for the Mayor's office. \$1,223 was in General Government, which accounts for finance, tax and planning, and general government activities (including some general infrastructure, such as levees). \$551 was in Public Safety, which accounts for the Town's police and civil defense departments. \$1,162 was in Public Works, which accounts for the streets and sanitation departments, \$111 was in Health and Welfare, which accounts for the mosquito fund, and \$428 was in the Culture, Recreation and Tourism function, which accounts for the operations of the Community Center and Playground District No. 16, as well as the Town's tourism office. The increase in expenses was the net of several items. General government function saw a drop of (\$58), public safety saw an increase of \$62, public works increased \$255, health and welfare dropped (\$16), and culture, recreation and tourism increased \$104. The majority of the increases had to do with repairs and emergency costs associated with the hurricanes. There was also a \$90 increase in depreciation expense.

For 2009, program revenues (service charges, operating and capital grants) totaling \$3,777 (see above) were used to offset expenses of the Town. A graph comparing the expense of each Function/Department with the program revenue generated is presented below.

Town of Grand Isle, Louisiana
Expenses and Program Revenues by Function/Department



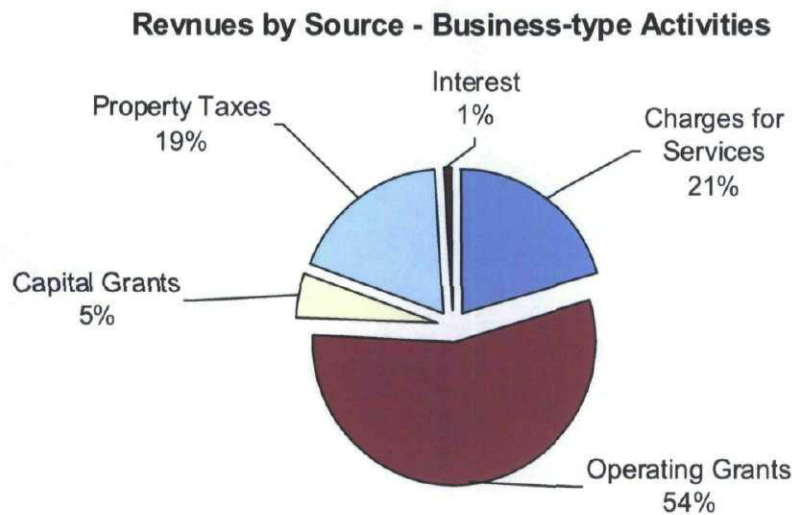
The large excess of program revenues over expenses in the general government function has to do with the FEMA capital grants. The program revenues are recorded here while the associated costs are capitalized as fixed assets (equipment, infrastructure, or construction in progress).

Business-type Activities. Business-type activities decreased the Town's net assets by (\$211). Key elements of this decrease are as follows:

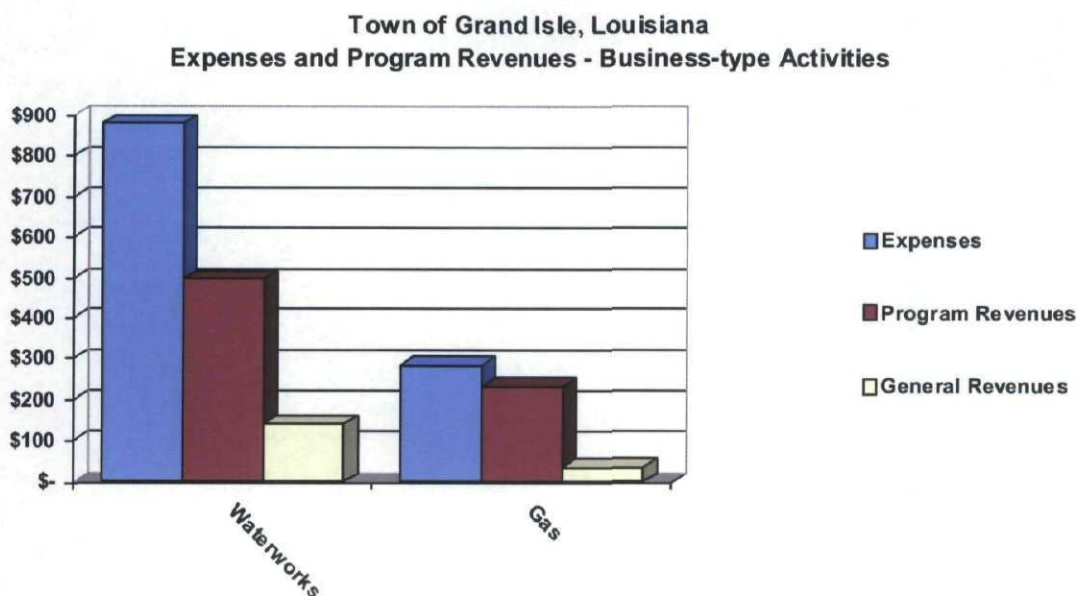
- The total decrease in net assets of (\$258) was generated by the Waterworks Department - \$(241) and the Gas Utilities Department - (\$17).
- Charges for services for business-type activities totaled \$186, which is a decrease of (\$27). This drop was in the Gas Utilities Department, as the evacuation from the hurricanes caused most of the drop.
- Operating grants totaled \$497, a drop of (\$45) from last year. This amount represents the operating subsidy provided by the Parish's water department as called for by the take-over agreement. The amount was down this year due to the Town utilizing some of its property taxes to pay the revenue bond debt.
- Capital grants totaled \$45, up \$30 from last year. This amount represents \$10 from FEMA for gas repairs and \$35 from the State for relocating the gas line along the Caminada Bridge.
- The net cost of the business-type activities was (\$435).
- The Waterworks Utility accounts for a significant portion of this net cost - (\$383). This was a result of the take-over of the water system by the Parish of Jefferson in mid-August 2005. The Town no longer has any operating costs other than some incidental utilities expense. The Waterworks Utility is left with the Grand Isle to Lafitte waterline as an asset and the related debt on the Water Revenue Bonds. The Parish Water Department provided \$496 in operating subsidies to the Town's Waterworks Department as part of the take-over agreement. Depreciation totaled \$440 and general and administrative costs totaled \$13. Interest on long-term debt totaled \$426.
- The Gas Utilities incurred expenses of \$283, down (\$15) from last year. This change was caused by: 1) a decrease of \$(26) in salaries and benefits, 2) a decrease of \$(5) in gas purchases (due to changing rates), 3) an increase of \$19 in contracted services (as monitoring of gas lines and meters was contracted out), and 4) a decrease of \$(17) in general and administrative costs (mostly a drop in repairs and maintenance).

- Property taxes totaled \$170 for the year, a decrease of \$(18) due to lower than expected collection rates. Of this amount, 80 percent or \$136 was recognized by the Waterworks fund and 20 percent or \$34 was recognized by the Gas Utilities fund as a subsidy to the operating costs. The Town's millage rate was 5.06 on the 2008 tax roll (up 0.06 from the prior year).
- Payments on the Water Revenue Bonds of \$541 were made during the year (\$115 in principal and \$426 in interest) was paid for the year. Total revenue bonds outstanding at year-end were \$8,549.

A breakdown of the revenues received by the Town's business-type activities is as follows:



As noted above, expenses totaled \$1,163, including current year depreciation of \$462. The Water Department expenses totaled \$880, while the Gas Utilities had expenses of \$283. A graph comparing the expense of each business-type expense with the program revenue generated is presented below.



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

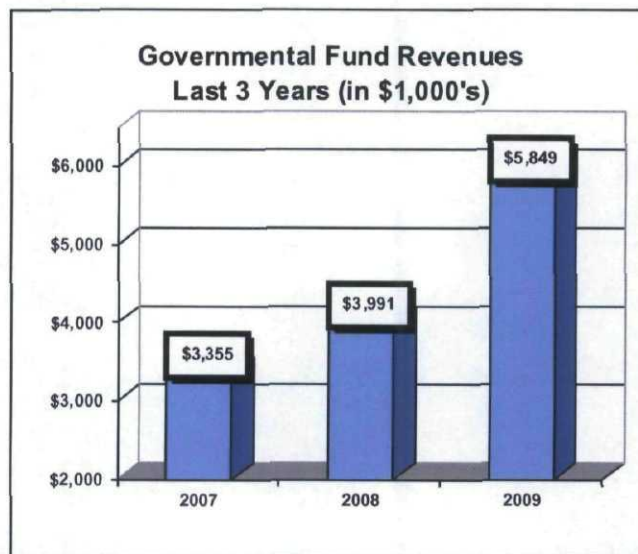
As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the Town's "governmental funds" is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Town's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2009, the Town's governmental funds reported combined ending fund balances of \$3,791, an increase of \$492 or 14.9 percent over the prior year. \$3,791 or 100.0 percent of this total constitutes *unreserved fund balance*, which is available for spending at the government's discretion.

As noted above, the governmental funds include the general operating funds of the Town (i.e., the General Fund, the Community Center and Playground District No. 16 Special Revenue Fund, and the other non-major Special Revenue funds). Overall, as the graph shows, revenues of the Governmental Funds have increased over the past 3 years (mostly due to one-time grants – especially FEMA grants).

The **General fund** is the chief operating fund of the Town. At June 30, 2009, unreserved fund balance of the General fund was \$2,842 (which is 75.0 percent of the total governmental fund balance). As a measure of the General fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 57.8 percent of total general fund expenditures, down from 70.1 percent in the prior year.



The fund balance of the Town's General fund increased by \$379, or 15.4 percent, during the current fiscal year. Key factors in this change are as follows:

- The General Fund's revenues totaled \$5,293, while expenditures totaled \$4,914.
- Revenues increased by \$1,880 from the prior year, mainly because of intergovernmental grants (primarily FEMA)
 - Property taxes totaled \$299 - up \$29 due to increases in the assessments as damaged properties return to full value and because the Town rolled its millage rate forward.
 - Sales taxes totaled \$467 - up \$92 as rebuilding from Gustav and Ike drove sales up.
 - Licenses and permits totaled \$138 - down (\$20) as the post-Katrina permitting process slowed.
 - Intergovernmental revenues totaled \$2,690 in 2009 - an increase of \$1,404. This was made up of \$6 from the State for beer taxes, \$175 from the State Parish Road fund allocation, \$13 from the State for tourism, \$25 for various grants, \$13 from State DOTD for maintenance of highways, \$3 for beach water quality, and \$2,455 from FEMA for hurricane-related projects (mostly fishing pier and pump station rehabilitation project).
 - Gaming fees and commissions totaled \$516 - a decrease of (\$32). \$465 came from riverboat admission fees received from the Parish for the Boomtown casino and \$51 from video poker commissions for

machines located in the Town. Riverboat admission fees were down due to the waning of the influx of money into the Parish's economy from FEMA workers and construction workers, as well as the effects of the national recession.

- Fines and forfeitures totaled \$104, a decrease of (\$10), as the number of fines collected decreased (spurred on by the evacuation of the Town for a period of time after last fall's hurricanes).
- Charges for services totaled \$538, an increase of \$87. Sanitation fees made up \$473 of this balance – up \$54 as the services were increased due to hauling debris from the hurricanes. Also, new inspection fees generated \$62, up \$30 from last year.
- Interest totaled \$36, down (\$44) from last year due to rapidly declining interest rates caused by the national financial crisis. Rates are now below 0.25 percent.
- Miscellaneous income totaled \$435, which is \$379 higher than last year. Most of the increase comes from non-recurring donations from businesses in the aftermath of Hurricanes Gustav and Ike. There was also an increase in insurance proceeds and other income sources.

➤ Expenditures totaled \$4,914, an increase of \$1,398 from the prior year. An analysis of the expenditures are as follows:

- Executive expenditures totaled \$88, up \$6 from last year (salaries and office furniture).
- General Government totaled \$3,261, an increase of \$1,315. This increase is mostly due to an increase of \$1,202 in capital outlay (primarily related to the completion of the fishing pier repairs, the pump station rehabilitation project funded by FEMA, and the purchase of new office furniture for all Town Hall offices), a decrease of (\$165) in intergovernmental expenditures (prior year included payments on emergency loans from JP of \$140 and a payment of \$29 to the Grand Isle Volunteer Fire Department), an increase of \$226 in repairs (mostly related to the hurricanes), and an \$71 in salaries and benefits (due mostly to increases in hospitalization costs and new positions in the planning section).
- Public Safety totaled \$540, an increase of \$49 from the prior year. Most of the increase was seen in salaries (up \$33) and storm damage repairs (up \$20).
- Public Works totaled \$983, an increase of \$19 from the prior year. Most of this was seen in increases in streets department salaries and benefits of \$18, a \$12 increase in gas, an increase of \$37 in vehicles (the purchase of a New Holland tractor, a new backhoe, and a new pickup truck), a decrease of (\$10) in repairs and equipment rentals, and a decrease of (\$27) in hauling and disposal fees (hauling and disposal fees in sanitation increased last year as the construction debris built up after residents and businesses rebuilt).
- Culture, Recreation and Tourism totaled \$41, which is up \$7 from the prior year. Most of the increase was in advertising costs.

The Town reported one "major" fund other than the General Fund for the year ended June 30, 2009. The **Community Center and Playground District No. 16 Special Revenue Fund** had revenues of \$381 and expenditures of \$300. The Community Center received \$264 from Jefferson Parish for ad valorem taxes collected by the Parish and dedicated to the Town for the operations of the Community Center and Playground District, and \$111 in miscellaneous (mostly insurance proceeds relating to the hurricanes). Expenditures were up \$49 due to 1) an increase of \$12 in salaries, 2) an increase of \$14 in hospitalization and worker's compensation insurance, 3) an increase of \$8 in gasoline costs, an increase of \$11 in repairs and maintenance (primarily rebuilding a playground), a drop of (\$10) in legal and professional fees, and an increase of \$20 in capital outlays (office furniture and playground equipment).

The Town's other governmental funds recorded revenue of \$175 and expenditures of \$143. A major part of the revenue this year was recognized by the Mosquito Control Special Revenue Fund (which received \$141 from mosquito fees) and by the Drainage District No. 1 (which received sales taxes of \$32). The mosquito fees went down (\$36) due to the Town being evacuated for a period of time last fall after the hurricanes. \$112 of the expenditures occurred in the Mosquito Control fund, which was spent on spraying and larviciding contracts. In addition, \$31 was spent on repairing and maintaining the Town's drainage pumps.

Proprietary Funds. The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. As noted above, the Town maintains two enterprise funds. For the fiscal year ended June 30, 2009, these funds reported net assets of \$5,507, which is a net decrease from the prior year of (\$258). The two funds are the Waterworks Utilities Enterprise fund and the Gas Utilities Enterprise fund. Factors concerning the finances of these two funds have already been addressed in the discussion of the Town's business-type activities (see above).

Agency Funds. The Town maintains one agency fund in order to account for monies collected on behalf of others. The Grand Isle Relief fund is used to account for donations from the public for disaster relief to Town's citizens.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Town made several amendments to its original budget during the fiscal year ended June 30, 2009. Revenues were increased \$3,525 over the original budget. The largest increases were in intergovernmental – federal and state grants - up \$3,165. Federal grants were up to reflect additional funds awarded under the FEMA public disaster assistance grants. Miscellaneous income was increased \$350 to account for corporate donations to the Town in the aftermath of the hurricanes.

Expenditures of the General Fund were increased \$3,545 over the original budget. Note C.2 provides a breakdown of the changes in expenditures by function. The main increases were:

- \$3,298 in General Government due to 1) a \$10 increase in workers compensation, 2) an \$89 increase in repairs, 3) an increase of \$375 for storm-related emergency expenditures, 4) an increase of \$1,100 in capital outlay for construction and repairs, and 5) an increase of \$1,626 for the pump station repairs being funded by FEMA.
- Public Works increased \$188 due to increases in salaries (\$26), gasoline (\$15), equipment rental (\$11), and capital outlays (\$126 – for the purchase of heavy equipment – tractors and backhoes).

Revenues and other sources came in (\$573) or (9.8) percent under the final budget and expenditures and other uses were \$927 or 15.9 percent under the final budget. The main revenue items under budget relates to intergovernmental revenues related to the FEMA Public Disaster Assistance grants and other recovery grants that did not come to fruition as soon as expected. Because these revenues are expenditure driven, it is hard to estimate the status of the project and the amount of revenue to recognize. The largest variances in budgeted expenditures were seen in:

- The General Government Function came in \$880 under budget, due mainly to lower than expected costs in storm damage repairs and construction,
- The Public Safety Function came in \$50 under budget, primarily in benefits, repairs, and gasoline,
- The Public Works Function was \$15 over budget due mainly to higher hauling fees for sanitation (as business and residential pickups increased for storm debris).

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The Town's investment in capital assets for its governmental and business-type activities as of June 30, 2009 amounts to \$13,534 (net of accumulated depreciation), an increase of \$1,498 or 12.4 percent. This investment in capital assets includes land, buildings, furniture and fixtures, machinery, vehicles and equipment, and infrastructure, and is shown net of any debt related to financing the assets. The governmental activities saw an increase in its investment in capital assets of \$1,784 or 27.8 percent, while the business-type activities saw a decrease of (\$286) or 5.1 percent.

It should be noted that the Town was unable to capitalize and depreciate its general infrastructure assets (primarily its streets and roadways) in accordance with generally accepted accounting principles (see Note D.3). As such, the governmental activities' assets, net assets, and expenses are understated by an indeterminable amount as of, and for the year ended, June 30, 2009. Cost constraints were the primary reason for not obtaining this data. The effects of various tropical storms and hurricanes also hampered any effort by the Town to work on capitalizing these assets. The Town should have this data gathered next year.

Major capital asset events during the current fiscal year included the following:

- \$76 was spent on furniture and fixtures, primarily new office furniture for Town Hall.
- \$35 was spent on vehicles - \$13 on a Dodge Explorer and \$22 on a Dodge Truck (to replace hurricane damaged vehicles)
- \$151 was spent on heavy equipment, primarily replacing damaged equipment (\$14 on a Kubota Utility Vehicle, \$60 on a New Holland Tractor, and \$76 on a new backhoe,
- \$1,991 was spent on construction in progress, primarily related to the fishing pier repairs and pump station repairs,
- \$1,051 of construction in progress was capitalized into infrastructure as the fishing pier project ended,
- The Parish of Jefferson's Water District took over the operations of the Town's water system in August 2005. All operating assets were turned over to the Parish. The only asset left on the Waterwork's books is the Grand Isle to Lafitte waterline,
- Depreciation expense totaled \$457 in the governmental funds and \$461 in the business-type activities.

**TOWN OF GRAND ISLE, LOUISIANA
CAPITAL ASSETS (NET OF DEPRECIATION)**

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Land	\$ 383	\$ 383	\$ -	\$ -	\$ 383	\$ 766
Buildings	589	623	-	-	589	623
Furniture and fixtures	147	95	1	1	148	96
Vehicles	122	112	21	30	143	142
Heavy equipment	386	310	-	-	386	310
Infrastructure	4,751	4,007	13,776	14,220	18,527	18,227
Construction in progress	1,938	998	53	-	1,991	998
Total	\$ 8,316	\$ 6,528	\$ 13,851	\$ 14,251	\$ 22,167	\$ 21,162

Additional information on the Town's capital assets can be found in Note D.3.

Long-term Debt. At June 30, 2009, the Town had total outstanding debt of \$8,672. Of this amount, \$123 relates to emergency disaster loans and \$8,549 to water revenue bonds.

**TOWN OF GRAND ISLE, LOUISIANA
OUTSTANDING DEBT**

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Emergency Disaster Loans	\$ 123	\$ 119	\$ -	\$ -	\$ 123	\$ 119
Revenue Bonds	-	-	8,549	8,665	8,549	8,665
Total	\$ 123	\$ 119	\$ 8,549	\$ 8,665	\$ 8,672	\$ 8,784

In the aftermath of the storm, the Town received a Community Disaster Loan from FEMA for an amount up to \$561. Of this amount, \$112 was borrowed. This amount, plus accrued interest of \$11, is due five years from the drawdown. See Note D.5 for more details.

The outstanding Water revenue bonds relate to the construction of the Grand Isle to Lafitte waterline. See Note D.5 for more details.

State statutes limit the amount of general obligation debt a governmental unit may issue to 10 percent of its total assessed valuation. The Town has no outstanding debt subject to this limitation.

Additional information on the Town's long-term debt can be found in Note D.5 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The unemployment rate for the Parish of Jefferson is currently 6.8 percent, which is 1.4 percent higher than it was a year ago. In the coastal community of Grand Isle, which is heavily dependent on offshore oil and commercial fisheries (primarily shrimping), the rate is higher. The businesses that were closed after the storm also increased the local rate.
- Inflationary trends in the region compare favorably to national indices.
- The ad valorem millage rate levied for the 2009 (next year's) tax roll was 7.17 for the general fund and 5.06 for the Water and Gas funds. The Water and Gas fund split the tax 80/20.
- Sales tax collections continue to remain strong as the local residents rebuild their houses and camps however, they are beginning to wane. Riverboat admission fees also continue to remain strong, although not as high as the months after the storm.

All of these factors were considered in preparing the Town's budget for the 09/10 fiscal year.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Mayor David Camardelle, Town of Grand Isle, PO Box 200, Ludwig Lane, Grand Isle, LA 70358.

BASIC FINANCIAL STATEMENTS

TOWN OF GRAND ISLE, LOUISIANA

**STATEMENT OF NET ASSETS
JUNE 30, 2009**

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and cash equivalents	\$ 1,041,418	\$ 95,519	\$ 1,136,937
Investments	1,864,245	-	1,864,245
Receivables (net of allowance for uncollectibles)	803,617	147,123	950,740
Internal balances	603,903	(603,903)	-
Inventories	-	6,202	6,202
Prepays	-	-	-
Deferred charges	-	39,671	39,671
Restricted assets:			
Temporarily restricted:			
Cash and cash equivalents	-	91,739	91,739
Investments	-	495,363	495,363
Intergovernmental receivable	-	-	-
Capital assets (net of accumulated depreciation)	8,315,564	13,850,936	22,166,500
TOTAL ASSETS	12,628,747	14,122,650	26,751,397
LIABILITIES			
Accounts payable and other current liabilities	215,257	30,780	246,037
Matured bonds and interest payable	-	-	-
Accrued interest payable	-	-	-
Due to taxing bodies and others	7,308	-	7,308
Deferred revenue	300,000	-	300,000
Liabilities payable from restricted assets:	-	35,462	35,462
Noncurrent liabilities:			
Due within one year	-	525,825	525,825
Due in more than one year	122,535	8,023,323	8,145,858
TOTAL LIABILITIES	645,100	8,615,390	9,260,490
NET ASSETS			
Invested in capital assets, net of related debt	8,193,029	5,341,459	13,534,488
Restricted for:			
Debt service	-	544,525	544,525
Construction	-	-	-
Other	-	-	-
Unrestricted	3,790,618	(378,724)	3,411,894
TOTAL NET ASSETS	\$ 11,983,647	\$ 5,507,260	\$ 17,490,907

The accompanying notes are an integral part of this statement.

TOWN OF GRAND ISLE, LOUISIANA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

FUNCTION/PROGRAM	EXPENDITURES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENT		
					GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Primary Government							
Governmental Activities:							
Executive	\$ 86,661	\$ -	\$ -	\$ -	\$ (86,661)	\$ -	\$ (86,661)
General government	1,222,785	109,679	25,134	2,454,922	1,366,950	-	1,366,950
Public safety	551,276	103,912	-	-	(447,364)	-	(447,364)
Public works	1,161,801	472,971	187,756	-	(501,074)	-	(501,074)
Health and welfare	111,564	140,633	-	-	29,069	-	29,069
Culture, recreation, and tourism	427,880	2,000	280,005	-	(145,875)	-	(145,875)
Non-departmental	-	-	-	-	-	-	-
Interest on long-term debt	3,076	-	-	-	(3,076)	-	(3,076)
Total governmental activities	3,565,043	829,195	492,895	2,454,922	211,969	-	211,969
Business-type activities:							
Waterworks	879,623	-	496,382	-	-	(383,241)	(383,241)
Gas	283,264	186,366	-	44,952	-	(51,946)	(51,946)
Total business-type activities	1,162,887	186,366	496,382	44,952	-	(435,187)	(435,187)
TOTAL PRIMARY GOVERNMENT	\$ 4,727,930	\$ 1,015,561	\$ 989,277	\$ 2,499,874	211,969	(435,187)	(223,218)
GENERAL REVENUES:							
Property taxes					299,026	169,795	468,821
Sales taxes							
General					420,682	-	420,682
Drainage					32,089	-	32,089
Law enforcement					20,992	-	20,992
Hotel/motel					24,857	-	24,857
Franchise taxes					71,155	-	71,155
Licenses and permits					137,927	-	137,927
State beer tax allocation					6,346	-	6,346
State tobacco tax allocation					-	-	-
Riverboat admission fees					464,374	-	464,374
Video poker allocation					51,291	-	51,291
Unrestricted interest					41,772	7,342	49,114
Gain on sale of equipment					16,092	-	16,092
Unrestricted Gifts and Donations					345,000	-	345,000
Other					132,353	-	132,353
TRANSFERS IN (OUT)					-	-	-
TOTAL GENERAL REVENUE AND TRANSFERS					2,063,956	177,137	2,241,093
CHANGE IN NET ASSETS					2,275,925	(258,050)	2,017,875
NET ASSETS							
Beginning of year					9,707,722	5,765,310	15,473,032
End of year					\$ 11,983,647	\$ 5,507,260	\$ 17,490,907

The accompanying notes are an integral part of this statement.

TOWN OF GRAND ISLE, LOUISIANA

GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2009

	GENERAL	COMMUNITY CENTER AND PLAYGROUND DIST NO. 16	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash and cash equivalents	\$ 661,507	\$ 166,934	\$ 212,464	\$ 1,040,905
Investments	1,629,724	211,464	23,057	1,864,245
Receivables (net of allowance for uncollectibles)	503,642	272,088	27,887	803,617
Due from other funds	613,558	14,201	50,141	677,900
Prepays	-	-	-	-
TOTAL ASSETS	\$ 3,408,431	\$ 664,687	\$ 313,549	\$ 4,386,667
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 196,552	\$ -	\$ -	\$ 196,552
Accrued payroll and deductions	17,662	1,043	-	18,705
Due to other funds	45,351	15,898	12,748	73,997
Due to taxing bodies and others	6,795	-	-	6,795
Deferred revenues	300,000	-	-	300,000
TOTAL LIABILITIES	566,360	16,941	12,748	596,049
Fund Balances				
Reserved for:				
Inventory	-	-	-	-
Prepays	-	-	-	-
Unreserved, reported in:				
General Fund	2,842,071	-	-	2,842,071
Special Revenue Funds	-	647,746	300,801	948,547
Capital Project Funds	-	-	-	-
TOTAL FUND BALANCES	2,842,071	647,746	300,801	3,790,618
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,408,431	\$ 664,687	\$ 313,549	\$ 4,386,667

The accompanying notes are an integral part of this statement.

TOWN OF GRAND ISLE, LOUISIANA

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2009**

Amounts reported for governmental activities in the Statement of Net Assets (page 18) are different because:

Total Fund Balances at June 30, 2009 - Governmental Funds (page 20)		\$	3,790,618
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$11,387,998 and the accumulated depreciation is \$3,072,434.			8,315,564
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Long-term liabilities at year-end consist of:			
Capital leases	\$	-	
Disaster loans payable		<u>122,535</u>	<u>(122,535)</u>
Total Net Assets of Governmental Activities at June 30, 2009 (page 18)		\$	<u>11,983,647</u>

The accompanying notes are an integral part of this statement.

TOWN OF GRAND ISLE, LOUISIANA

GOVERNMENTAL FUNDS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2009

	GENERAL	COMMUNITY CENTER AND PLAYGROUND DIST NO. 16	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES				
Taxes				
Property taxes	\$ 299,026	\$ -	\$ -	\$ 299,026
Sales taxes	466,531	-	32,089	498,620
Franchise taxes	71,155	-	-	71,155
Licenses and permits	137,927	-	-	137,927
Intergovernmental	2,689,808	264,355	-	2,954,163
Gaming fees and commissions	515,665	-	-	515,665
Fines and forfeitures	103,912	-	-	103,912
Charges for services	537,982	2,000	140,633	680,615
Interest	35,503	4,073	2,196	41,772
Miscellaneous	435,326	110,507	-	545,833
TOTAL REVENUES	5,292,835	380,935	174,918	5,848,688
EXPENDITURES				
Current				
Public Safety				
Executive	88,093	-	-	88,093
General government	3,261,215	-	-	3,261,215
Public safety	540,186	-	-	540,186
Public works	983,303	-	31,201	1,014,504
Health and welfare	-	-	111,564	111,564
Culture, recreation and tourism	41,134	299,682	700	341,516
Non-departmental	-	-	-	-
TOTAL EXPENDITURES	4,913,931	299,682	143,465	5,357,078
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	378,904	81,253	31,453	491,610
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	345	345
Transfers out	(345)	-	-	(345)
Proceeds from loans	-	-	-	-
Capital leases	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(345)	-	345	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)	378,559	81,253	31,798	491,610
FUND BALANCE				
Beginning of year	2,463,512	566,493	269,003	3,299,008
End of year	\$ 2,842,071	\$ 647,746	\$ 300,801	\$ 3,790,618

The accompanying notes are an integral part of this statement.

TOWN OF GRAND ISLE, LOUISIANA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009**

Amounts reported for governmental activities in the Statement of Activities (page 19) are different because:

Net change in fund balances - total governmental funds (page 22)	\$	491,610
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Reconciling items:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		1,795,111
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The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets.		(7,720)
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The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the payment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas, these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		(3,076)
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Change in net assets of governmental activities (page 19)	\$	<u>2,275,925</u>
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The accompanying notes are an integral part of this statement.

TOWN OF GRAND ISLE, LOUISIANA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

FOR THE YEAR ENDING JUNE 30, 2009

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Taxes				
Property taxes	\$ 280,000	\$ 280,000	\$ 299,026	\$ 19,026
Sales taxes	428,000	428,000	466,531	38,531
Franchise taxes	70,000	80,000	71,155	(8,845)
Licenses and permits	182,200	122,200	137,927	15,727
Intergovernmental	257,800	3,422,600	2,689,808	(732,792)
Gaming fees and commissions	512,000	512,000	515,665	3,665
Fines and forfeitures	120,900	120,900	103,912	(16,988)
Charges for services	404,000	464,000	537,982	73,982
Interest	40,000	40,000	35,503	(4,497)
Miscellaneous	46,200	396,200	435,326	39,126
TOTAL REVENUES	2,341,100	5,865,900	5,292,835	(573,065)
EXPENDITURES				
Current				
Public Safety				
Executive	98,500	98,500	88,093	10,407
General government	842,985	4,141,705	3,261,215	880,490
Public safety	531,750	590,250	540,186	50,064
Public works	780,500	968,161	983,303	(15,142)
Health and welfare	-	-	-	-
Culture, recreation and tourism	42,800	42,800	41,134	1,666
Non-departmental	-	-	-	-
Intergovernmental	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
TOTAL EXPENDITURES	2,296,535	5,841,416	4,913,931	927,485
EXCESS (DEFICIENCY) OF REVNUES OVER EXPENDITURES	44,565	24,484	378,904	354,420
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	(345)	(345)
Procees from loans	-	-	-	-
Capital leases	-	-	-	-
Sale of capital assets	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(345)	(345)
EXCESS (DEFICIENCY) OF REVNUES OVER EXPENDITURES AND OTHER SOURCES (USES)	44,565	24,484	378,559	354,075
FUND BALANCE				
Beginning of year	2,463,512	2,463,512	2,463,512	-
End of year	\$ 2,508,077	\$ 2,487,996	\$ 2,842,071	\$ 354,075

The accompanying notes are an integral part of this statement.

TOWN OF GRAND ISLE, LOUISIANA

COMMUNITY CENTER AND PLAYGROUND DISTRICT NO. 16
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
Franchise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	324,000	324,000	264,355	(59,645)
Gaming fees and commissions	-	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	2,000	2,000	2,000	-
Interest	9,000	9,000	4,073	(4,927)
Miscellaneous	1,000	1,000	110,507	109,507
TOTAL REVENUES	336,000	336,000	380,935	44,935
EXPENDITURES				
Current				
Public Safety				
Executive	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Culture, recreation and tourism	323,400	323,400	299,682	23,718
Non-departmental	-	-	-	-
Intergovernmental	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
TOTAL EXPENDITURES	323,400	323,400	299,682	23,718
EXCESS (DEFICIENCY) OF REVNUES OVER EXPENDITURES	12,600	12,600	81,253	68,653
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Procees from loans	-	-	-	-
Capital leases	-	-	-	-
Sale of capital assets	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
EXCESS (DEFICIENCY) OF REVNUES OVER EXPENDITURES AND OTHER SOURCES (USES)	12,600	12,600	81,253	68,653
FUND BALANCE				
Beginning of year	566,493	566,493	566,493	-
End of year	\$ 579,093	\$ 579,093	\$ 647,746	\$ 68,653

The accompanying notes are an integral part of this statement.

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TOWN OF GRAND ISLE, LOUISIANA

PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
JUNE 30, 2009

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	WATERWORKS UTILITY FUND	GAS UTILITY FUND	TOTAL
ASSETS			
Cash and cash equivalents	\$ 85,786	\$ 9,733	\$ 95,519
Investments	-	-	-
Receivables (net of allowance for uncollectibles)	2,388	144,735	147,123
Due from other funds	6,958	5,664	12,622
Inventories	-	6,202	6,202
Prepays	-	-	-
Restricted assets:			
Temporarily restricted:			
Cash and cash equivalents	49,162	42,577	91,739
Investments	495,363	-	495,363
Intergovernmental receivable	-	-	-
Permanently restricted:			
Cash and cash equivalents	-	-	-
Investments	-	-	-
Capital assets (net of accumulated depreciation)	13,645,453	205,483	13,850,936
Unamortized bond issue costs (net of accumulated amortization)	39,671	-	39,671
TOTAL ASSETS	14,324,781	414,394	14,739,175
LIABILITIES			
Current Liabilities			
Accounts payable	-	29,292	29,292
Accrued payroll and deductions	-	1,488	1,488
Matured bonds and interest payable	-	-	-
Accrued interest payable	-	-	-
Due to other funds	489,538	119,875	609,413
Deferred revenues	-	-	-
Liabilities payable from restricted assets:			
Customer deposits	-	35,464	35,464
Due to other funds	-	7,110	7,110
Noncurrent liabilities:			
Capital leases payable	-	-	-
Water revenue bonds payable	8,549,148	-	8,549,148
TOTAL LIABILITIES	9,038,686	193,229	9,231,915
NET ASSETS			
Invested in capital assets, net of related debt	5,135,976	205,483	5,341,459
Restricted for:			
Debt service	544,525	-	544,525
Construction	-	-	-
Unrestricted	(394,406)	15,682	(378,724)
TOTAL NET ASSETS	\$ 5,286,095	\$ 221,165	\$ 5,507,260

The accompanying notes are an integral part of this statement.

TOWN OF GRAND ISLE, LOUISIANA

**PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2009**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	WATERWORKS UTILITY FUND	GAS UTILITY FUND	TOTAL
OPERATING REVENUES			
Sales	\$ -	\$ 161,363	\$ 161,363
Service charges	-	1,567	1,567
Installation charges	-	11,306	11,306
Penalties	-	10,401	10,401
Intergovernmental transfers	496,382	-	496,382
Miscellaneous	-	1,729	1,729
TOTAL OPERATING REVENUES	496,382	186,366	682,748
OPERATING EXPENSES			
Personal services	-	76,646	76,646
Contracted services	-	115,020	115,020
Materials and supplies	-	24,310	24,310
General and administrative	13,264	45,609	58,873
Depreciation and amortization	440,376	21,679	462,055
TOTAL OPERATING EXPENSES	453,640	283,264	736,904
OPERATING INCOME (LOSS)	42,742	(96,898)	(54,156)
NONOPERATING REVENUES			
Interest income	6,393	949	7,342
Interest expense	(425,983)	-	(425,983)
Ad valorem taxes	135,373	34,422	169,795
Intergovernmental			
Federal - FEMA - Public Disaster Assistance	-	9,898	9,898
State - DOTD Gas Line Relocation	-	35,054	35,054
State - Waterline Emergency Funds	-	-	-
State - DOTD highway maintenance	-	-	-
Parish - Waterline Survey	-	-	-
	(284,217)	80,323	(203,894)
INCOME (LOSS) BEFORE TRANSFERS AND SPECIAL ITEMS	(241,475)	(16,575)	(258,050)
OPERATING TRANSFERS			
Operating transfers in	-	-	-
Operating transfers out	-	-	-
	-	-	-
CHANGE IN NET ASSETS	(241,475)	(16,575)	(258,050)
NET ASSETS			
Beginning of year	5,527,570	237,740	5,765,310
End of year	\$ 5,286,095	\$ 221,165	\$ 5,507,260

The accompanying notes are an integral part of this statement.

TOWN OF GRAND ISLE, LOUISIANA

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2009

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	WATERWORKS UTILITY FUND	GAS UTILITY FUND	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ -	\$ 197,189	\$ 197,189
Receipts from interfund services provided	-	37,774	37,774
Receipts from Jefferson Parish Water - operating subsidy	496,382	-	496,382
Payments to suppliers	(13,264)	(180,523)	(193,787)
Payments to employees	-	(75,917)	(75,917)
Payments for interfund services used	-	8,117	8,117
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>483,118</u>	<u>(13,360)</u>	<u>469,758</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Ad valorem taxes	135,373	34,422	169,795
Receipts under FEMA Public Disaster Assistance grants - Katrina	-	9,898	9,898
Receipts from LA DOTD for gas line relocation	-	35,054	35,054
Transfers in	-	-	-
Transfers out	-	-	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>135,373</u>	<u>79,374</u>	<u>214,747</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal paid on Water Revenue Bonds, Series 2000	(115,525)	-	(115,525)
Interest paid on Water Revenue Bonds, Series 2000	(425,983)	-	(425,983)
Purchase of property and equipment	-	(60,513)	(60,513)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>(541,508)</u>	<u>(60,513)</u>	<u>(602,021)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	6,393	949	7,342
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>6,393</u>	<u>949</u>	<u>7,342</u>
INCREASE IN CASH AND CASH EQUIVALENTS	<u>83,376</u>	<u>6,450</u>	<u>89,826</u>
CASH AND CASH EQUIVALENTS			
Beginning of year	546,935	45,860	592,795
End of year	<u>\$ 630,311</u>	<u>\$ 52,310</u>	<u>\$ 682,621</u>
RECONCILIATION TO BALANCE SHEET			
Current Assets			
Cash and cash equivalents	\$ 85,786	\$ 9,733	\$ 95,519
Restricted Assets			
Cash and cash equivalents	49,162	42,577	91,739
Investments	495,363	-	495,363
TOTAL	<u>\$ 630,311</u>	<u>\$ 52,310</u>	<u>\$ 682,621</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ 42,742	\$ (96,898)	\$ (54,156)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	440,376	21,679	462,055
(Increase) decrease in assets:			
accounts receivable	-	9,518	9,518
due from other funds	-	8,117	8,117
inventory	-	6,298	6,298
Increase (decrease) in liabilities:			
accounts payable	-	(1,882)	(1,882)
accrued payroll and deductions	-	729	729
customer deposits	-	1,305	1,305
due to other funds	-	37,774	37,774
Net adjustments	<u>440,376</u>	<u>83,538</u>	<u>523,914</u>
Net cash provided (used) by operating activities	<u>\$ 483,118</u>	<u>\$ (13,360)</u>	<u>\$ 469,758</u>

The accompanying notes are an integral part of this statement.

TOWN OF GRAND ISLE, LOUISIANA

**FIDUCIARY FUNDS
STATEMENT OF NET ASSETS
JUNE 30, 2009**

	<u>AGENCY FUNDS</u>
ASSETS	
Cash and cash equivalents	\$ 513
TOTAL ASSETS	<u>513</u>
LIABILITIES	
Due to taxing bodies and others	513
TOTAL LIABILITIES	<u>513</u>
NET ASSETS	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

TOWN OF GRAND ISLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the TOWN OF GRAND ISLE, LOUISIANA (the "Town") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Town's significant accounting policies are described below.

1. Reporting Entity

Under GASB's Codification of Governmental Accounting and Financial Reporting Standards Section 2100, the financial reporting entity consists of the primary government (the "Town") and its component units. Component units are defined as legally separate organizations for which the elected officials of the primary government are financially accountable. The criteria used in determining whether financial accountability exists include the appointment of a voting majority of an organization's governing body, and 1) the ability of the primary government to impose its will on that organization, or 2) whether the potential exists for the organization to provide specific financial benefits or burdens to the primary government. Fiscal dependency may also play a part in determining financial accountability. Additionally, a component unit can be an organization for which the nature and significance of its relationship with the primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The component units discussed below are included in the Town's reporting entity as blended component units because of the significance of their operational or financial relationships with the Town.

Playground Town No. 16 of Jefferson Parish

The above noted District is a legally separate entity from the Town and is funded primarily by taxes and fees levied by the Parish of Jefferson, however, under agreement with the Parish, the entity is governed by the same elected officials that govern the Town. For financial reporting purposes, these entity is reported as if it were part of the Town's operations.

2. Description of Activities

The Town was incorporated on June 15, 1959, under the provisions of the Lawrason Act (LRS 33:321 - 481). The Town is governed by a Mayor-Board of Alderman form of government. Services provided by the Town include general government activities, public works, public safety, health and welfare and culture and recreation programs. The Town also provides waterworks and gas utilities.

3. Government-wide and Fund Financial Statements

Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The statement of activities demonstrates the degree to which the direct expense of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for the governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements of the Town. Funds are used by the Town to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. The funds of the Town are classified into three categories: *governmental*, *proprietary* and *fiduciary*. Each category, in turn, is divided into separate "fund types".

Governmental funds are used to account for all or most of the Town's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital project funds), and the servicing of general long-term debt (debt service funds). The General Fund is used to account for all financial activities of the Town not accounted for in some other fund. Major individual governmental funds are reported as separate columns in the fund financial statements. The Town reports the following major governmental funds:

The *General Fund* is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

The *Community Center and Playground District No. 16 Special Revenue Fund* accounts for the proceeds of an ad valorem tax levied by the Parish of Jefferson and remitted to the Town for the construction, operations, and debt service costs of the Grand Isle Community Center and Playground District.

Proprietary funds distinguish operating revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's principal ongoing operations. The Town uses *Enterprise Funds* to account for the operations of its waterworks and gas utilities. The principal operating revenues of each are charges to customers for sales and services. Operating expenses of the enterprise funds include the costs of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

TOWN OF GRAND ISLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. *Agency funds* generally are used to account for assets that the Town holds on behalf of others as their agent. The Grand Isle Relief Fund holds money donated to the Town for disaster relief to citizens in the Town.

4. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Amounts reported as *program revenues* on the Statement of Activities include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes and related commissions.

Within the fund financial statements, the accounting and financial reporting treatment applied to a fund is determined by its measurement focus and basis of accounting.

Governmental fund financial statements are reported using a *current financial resources measurement focus* and the *modified accrual basis of accounting*. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. Under the modified basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Town considers property taxes and sales taxes as available if they are collected within 60 days after year end. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt, which is recognized when due.

Those revenues susceptible to accrual are property taxes, sales taxes, franchise taxes, interest revenue, charges for services, and grants. Fines and permits revenues are not susceptible to accrual because generally they are not measurable until received in cash.

The proprietary fund type is accounted for on the *economic resources management focus* and the *accrual basis of accounting*. With this measurement focus, all assets and liabilities associated with the operation of this fund type are included on the balance sheet. Proprietary fund type operating statements represent increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred, regardless of the timing of related cash flows.

TOWN OF GRAND ISLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In accordance with GASB Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting, it is the policy of the Town's proprietary funds to apply all applicable GASB pronouncements, as well as all Financial Accounting Standards Board (FASB) statements, interpretations, accounting principles board opinions and accounting research bulletins of the Committee on Accounting Procedure issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

The Town may also report deferred revenue on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable and available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the government before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability of deferred revenue is removed from the combined balance sheet and revenue is recognized.

5. Assets, Liabilities, and Net Assets or Equity

A. Cash and Investments

Cash and cash equivalents shown on the face of the Combined Balance Sheet include amounts in demand deposits, petty cash, certificates of deposit with maturities of less than 90 days, and shares in the Louisiana Asset Management Pool (LAMP).

In accordance with GASB Statement No. 31, investments are generally stated at fair value, unless the Town invests in "money market" securities which have a maturity date of less than 90 days at the balance sheet date. If the investments mature within 90 days, they are stated at cost or amortized cost. Louisiana Revised Statutes (LSA-RS 33:2955) authorize the Town to invest in (1) direct obligations of the United States Treasury, the principal and interest of which are fully guaranteed by the federal government, (2) bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by federal agencies or U.S. government instrumentalities, (3) direct security repurchase agreements of any federal book entry only securities, (4) time certificates of deposits of state banks organized under the laws of Louisiana and national banks having their principal offices in the state of Louisiana, savings accounts or shares of savings and loan associations, (5) in mutual or trust fund institutions, which are registered with the Securities and Exchange Commission under the Securities Act of 1933 and the Investment Act of 1940, and which have underlying investments consisting solely of and limited to securities of the U.S. government or its agencies, or (6) guaranteed investment contracts issued by a bank, financial institution, insurance company, or other entity having one of the two highest short-term rating categories of either Standard & Poor's Corporation or Moody's Investors Service, provided that no such investment may be made except in connection with a financing program approved by the State Bond Commission.

For the purposes of the statement of cash flows, the Proprietary Fund considers its investment in LAMP and all highly liquid investments with a maturity of three months or less when purchased, to be cash equivalents.

TOWN OF GRAND ISLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Interfund Receivables/Payables and Transfers

Activity between funds that are representative of lending/borrowing arrangements outstanding at year end are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources. As a general rule, all interfund balances are eliminated in the government-wide financial statements.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented in the financial statements.

C. Inventories

The cost of material and supplies acquired by governmental funds are recorded as expenditures at the time of purchase. The inventory of such materials and supplies at June 30, 2009 would not be material to the financial statements. The inventory of the Proprietary Fund is stated at the lower of cost or market, determined by a first-in, first-out method.

D. Prepaids

Payments made to vendors for services that will benefit periods beyond June 30, 2009 are recorded as prepaid items. Prepaid insurance represents the majority of this balance.

E. Unamortized Bond Issuance Costs

Bond issuance costs relating to the Revenue Bonds are deferred and will be amortized/expensed over the life of the bonds. Amortization will occur over the next 40 years.

F. Restricted Assets

Funds on hand which represent "customer meter deposits" are classified as restricted assets on the balance sheet of the enterprise fund since these funds may only be used for the payment of any outstanding water bills when customers discontinue service. Special accounts set up in accordance with the Bond Anticipation Notes and the Water Revenue Bonds, Series 2000 bond indenture are also classified as restricted assets on the balance sheet. These accounts include a "construction account", a "debt service - sinking fund", a "debt service - reserve fund", and a "reserve for depreciation and contingencies fund".

TOWN OF GRAND ISLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$100 (except for electronic equipment is 100 percent capitalized) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed and are included in construction in progress.

General government property, plant, equipment, and infrastructure is depreciated using the straight-line method (with a mid-year convention) over the following estimated useful lives:

Asset Category	Useful Life in Years
Buildings and improvements	40
Equipment (including furniture and fixtures)	3
Vehicles	5
Heavy Equipment	7
Infrastructure	20 to 40

The proprietary funds also record capital assets and depreciation. The useful lives used for computing depreciation for the proprietary funds are as follows:

Description	Life in Years
Buildings and improvements	20-50
Furniture and fixtures	5-10
Vehicles and heavy equipment	5-10
Utility distribution systems and lines	10-50

H. Compensated Absences

In both the governmental and proprietary fund types, annual and sick leave are expended when claimed by the employee rather than when earned. In the opinion of management, the liability due at June 30, 2009 would not be material to the financial statements.

TOWN OF GRAND ISLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are recognized as liabilities in the applicable governmental activities statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable, if any, are reported net of the applicable bond premium or discount. Bond issuance costs, if any, are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Payments of principal and interest are recorded as expenditures only when due.

J. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balances for amounts that are not available for appropriation or are legally restricted by outside parties for a specific future use. Designated fund balances represent tentative plans for future use of financial resources that are subject to change.

K. Use of Estimates

In preparation of financial statements in accordance with generally accepted accounting principles requires the Town to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures. Actual results could differ from the estimates that were used.

NOTE B - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

1. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances - total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this \$1,795,111 difference are as follows:

TOWN OF GRAND ISLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

**NOTE B - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS
(CONTINUED)**

Capital outlay	\$ 2,252,548
Depreciation expense	<u>(457,437)</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets - governmental activities</i>	<u>\$ 1,795,111</u>

Another element of that reconciliation states that "The issuance of long-term debt provides current resources to governmental funds, while the payment of principal of long-term debt consumes the current financial resources of governmental funds." The details of this (\$3,076) difference are as follows:

Long-term debt issued (accrued interest on long-term debt)	\$ (3,076)
Payments on long-term debt	<u>0</u>
Net adjustment to increase (decrease) <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets - governmental activities</i>	<u>\$ (3,076)</u>

NOTE C - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

1. **Budgetary Information**

Formal budgetary accounting is employed as a management control device during the year for the General Fund and Special Revenue Funds. Informal budgets are also adopted for the Proprietary funds but are not presented.

Expenditures may not exceed budgeted appropriations at the division or department level. Expenditures may not exceed appropriations until additional appropriations have been provided. All annual appropriations which are not expended nor encumbered lapse at year end.

Budgets are adopted for the General and Special Revenue funds on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons presented in the accompanying financial statements are on this GAAP basis.

In accordance with the Louisiana Local Government Budget Act (LSA-RS 39:1301), the procedures used by the Town in establishing the budgetary data reflected in the financial statements are as follows:

- a. Not less than 30 days before the end of the fiscal year, the Mayor recommends to the Board of Aldermen a proposed operating budget for the ensuing fiscal year. The operating budget includes proposed expenditures and the means of financing them.

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE C - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

- b. The proposed budget is summarized and advertised and the public notified that the proposed budget is available for inspection and that within 10 days thereafter public hearings are conducted to obtain taxpayer comments.
- c. The budget is then legally enacted by passage of an ordinance by the Board of Aldermen.
- d. Any revisions that alter the total expenditures of a department must be approved by the Board of Aldermen. Changes to specific line-items within the departments must also be approved by the Board.

Budgeted amounts presented in the financial statements are as originally adopted or as finally amended by the Board of Aldermen by Ordinance No. 872.

2. Amendments to the Budget

The Town made several supplemental budgetary appropriations throughout the year, the final being made on April 14, 2009. The most significant of the changes made are described below:

Revenues of the General Fund were increased by \$3,524,800. The majority of the increase was seen in intergovernmental - federal and state grants and miscellaneous. Intergovernmental increased \$3,164,800 - Federal grants increased \$3,156,000 to reflect estimated proceeds from FEMA for Public Disaster Assistance related to Hurricane Katrina, as well as Hurricanes Gustav and Ike, State grants increased \$2,400 to account for an equipment grant from the LCLE and \$6,400 for other state programs. Miscellaneous income was increased \$350,000 to account for corporate donations made to the Town in the aftermath of Hurricanes Gustav and Ike.

Expenditures of the General Fund were increased by \$3,544,881. A breakdown by function follows:

Fund/Bureau	Original Budget	Amendments	Final Budget
General Fund			
Executive	\$ 98,500	\$ 0	\$ 98,500
General Government	842,985	3,298,720	4,141,705
Public Safety	531,750	58,500	590,250
Public Works	780,500	187,661	968,161
Culture, Recreation, and Tourism	42,800	0	42,800
Total	\$ 2,296,535	\$ 3,544,881	\$ 5,841,416

The \$3,298,720 increase in the General Government's expenditures was the result of 1) a \$10,000 increase in workman's compensation (due to an increase in premiums), 2) an \$89,000 increase in building repairs (to cover repairs not covered by FEMA), 3) an increase of \$375,000 in storm damage costs (to account for emergency purchases and repairs related to Hurricanes Gustav and Ike), 4) an increase of \$1,100,000 in capital outlay for construction/repairs to various buildings (related to the hurricanes), 5) \$30,000 for hurricane levee rehabilitation work, 6) an increase of \$1,626,000 for pump station reconstruction (related to Hurricane Katrina), and 7) an increase of \$23,000 in planning department salaries.

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE C - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

The \$58,500 increase in Public Safety was caused by an increase of \$25,000 in storm damage costs (related to the hurricanes) and an increase of \$14,900 in capital outlay to replace certain vehicles and equipment. The \$187,661 in Public Works is made up of 1) a \$26,000 increase in salaries, 2) an increase of \$15,000 in gas and oil (related to hurricanes and rising prices), 3) a \$10,900 increase in equipment rental (related to hurricanes), and 4) the addition of \$126,261 for the cost of purchasing a new Kubota utility vehicle, a new New Holland tractor, and a new backhoe.

3. Expenditures in Excess of Appropriations

The following funds had expenditures on a budgetary basis in excess of appropriations for the fiscal year ended June 30, 2009:

	Expenditures	Budget	Excess
General Fund			
Public Works	\$ 983,303	\$ 968,161	\$ (15,142)
Special Revenue Funds			
Drainage District No. 1	31,201	30,000	(1,201)

Expenditures exceeded appropriations in for the following reasons: The General Fund Public Works section was over budget by (\$15,142) primarily in hauling/disposal fees due to increased activity (related to the hurricanes). The Drainage District No. 1 went over budget due to a late in the year purchase of culverts and gates to replace damaged ones from the hurricanes. All of the excesses noted above were absorbed by available revenues/fund balances.

4. Deficit Fund Balances/Net Assets

The Waterworks Utilities Enterprise Fund ended the fiscal year with a deficit in its unrestricted net assets of (\$394,406). This Fund has seen continuing losses over the past few years, is experiencing cash flow problems, and has been unable to meet the coverage ratios required under the bond indenture of the Water Revenue Bonds (See Note D.5). In August, 2005, the Jefferson Parish Waterworks District took over the administration of the Town's water system in an effort to provide financial stability (See Note G). The Parish took over most of the assets of the Town's water system and all operating costs. Any liabilities that resulted in prior years remained on the books of the Town's water fund. Thus, this deficit will remain until the Town is able to collect future property taxes to pay off the remaining liabilities. The deficit actually decreased \$22,412 as some of the outstanding liabilities are being paid off.

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE D - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

1. Deposits with Financial Institutions and Investments

Deposits with Financial Institutions

At June 30, 2009, deposits with financial institutions consisted of the following:

	Cash	Certificates of Deposit	Other	Total
Book Value of Deposits in Banks	\$ 1,315,185	\$ 0	\$ 0	\$ 1,315,185
Bank Balances of Deposits Exposed to Custodial Credit Risk:				
A. Uninsured and uncollateralized	\$ 0	\$ 0	\$ 0	\$ 0
B. Uninsured and collateralized with securities held by pledging institution	0	0	0	0
C. Uninsured and collateralized with securities held by the pledging financial institution's trust department or agent but not in the Town's name	0	0	0	0
Total Bank Balances Exposed to Custodial Credit Risk	\$ 0	\$ 0	\$ 0	\$ 0
Total Bank Balances - All Deposits	\$ 1,228,476	\$ 0	\$ 0	\$ 1,228,476

Petty cash is not required to be reported in the note disclosure, however, to aid in reconciling amounts reported on the balance sheet to the amounts reported in this note, the Town held \$200 in petty cash at June 30, 2009 (\$100 in the General Fund and \$100 in the Gas Utilities Fund). A breakdown of cash and investments as shown on the Statement of Net Assets is as follows:

Fund	Cash	Investments	Total
Major Funds			
General Fund	\$ 661,507	\$ 1,629,724	\$ 2,291,231
Community Center and Playground District No. 16	166,934	211,464	378,398
Non-Major			
Special Revenue Funds	212,464	23,057	235,521
Proprietary Funds (Unrestricted and Restricted)			
Waterworks Utilities Enterprise Fund	134,948	495,363	630,311
Gas Utilities Enterprise Fund	52,310	0	52,310
Fiduciary - Agency Funds	513	0	513
Total Equity in Pool	\$ 1,228,676	\$ 2,359,608	\$ 3,588,284

TOWN OF GRAND ISLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE D - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

Investments

Custodial Credit Risk

Investments can be exposed to custodial credit risk if the securities underlying the investment are uninsured, not registered in the name of the entity, and are either held by the counterparty or the counterparty's trust department or agent but not in the entity's name. The Town's investments consist of shares in the Louisiana Asset Management Pool (LAMP). The balance as of June 30, 2009 for all funds is \$2,359,608. Because this investment is not evidenced by securities that exist in physical or book entry form, it is not categorized for the purposes of this note.

Credit Risk of Investments

State law limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations. It is the Town's policy to limit its investments in these investment types to the top ratings group. State statutes also allow the Town to invest in the Louisiana Asset Management Pool (LAMP). The following table lists the Town's investments by credit quality rating, whether held directly or indirectly (i.e., LAMP):

<u>Rating</u>	<u>Fair Value</u>
AAAm	\$ 2,359,608
Total	<u>\$ 2,359,608</u>

Interest Rate Risk

In accordance with the Town's investment policy, exposure to declines in fair values is managed by limiting the maturity of its investments to less than 1 year. By investing in LAMP, the Town is even less exposed to long-term interest rate risk.

Concentrations of Credit Risk

The Town does not limit how much can be invested in a particular issuer as long as the limits set forth in State Statutes are met. At June 30, 2009, 100 percent of the Town's investments of \$2,359,608 were invested with the Louisiana Asset Management Pool(LAMP).

TOWN OF GRAND ISLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE D - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

2. Receivables

Receivables at June 30, 2009 consist of the following:

	General	Community Center and Playground District No. 16 Special Revenue	Other Governmental Funds	Proprietary Funds	Total
Receivables:					
Accounts					
Utilities	\$ 0	\$ 0	\$ 0	\$ 143,231	\$ 143,231
Grass liens	0	0	20,661	0	20,661
Property taxes	0	0	0	0	0
Franchise taxes	17,429	0	0	0	17,429
Intergovernmental					
Sales taxes	102,502	0	7,226	0	109,728
Beer taxes	2,634	0	0	0	2,634
State - gas line relocation	0	0	0	2,064	2,064
Gaming fees and commissions	30,921	0	0	0	30,921
DOTD - highway maintenance	6,378	0	0	0	6,378
LCLE - grants	0	0	0	0	0
Playground Town No. 16	0	272,088	0	0	272,088
Parish Transportation Funds	35,810	0	0	0	35,810
Federal and state grants	296,318	0	0	0	296,318
Other	11,650	0	0	2,828	14,478
Subtotal	503,642	272,088	27,887	148,123	951,740
Less allowance for uncollectibles	0	0	0	(1,000)	(1,000)
Net receivables	\$ 503,642	\$ 272,088	\$ 27,887	\$ 147,123	\$ 950,740

The Town generally considers all receivables to be collectible, however, in the Gas Utilities Enterprise Fund, an allowance for uncollectibles of approximately 1 percent (\$1,000) of the utility bills receivable has been recorded.

Included within the accounts receivable of the Gas Utilities Enterprise Fund is \$4,853 for unbilled receivables. This amount represents approximately one-half of the July 31, 2009 gas bills which are for the actual usage of gas in the last half of June 2009.

Also included above is \$272,088 due for Playground District No. 16. This amount represents the balance of parish dedicated ad valorem taxes collected by the Parish on the Town's behalf under a local cooperative agreement. The amounts are remitted to the Town on a monthly basis.

Finally, the Town has accrued \$296,318 for Federal and State Grants, made up of \$92,511 in claims filed with FEMA for Public Disaster Assistance related to Hurricanes Katrina and Rita (See Note E.3), \$97,146 in claims filed with FEMA for Hurricanes Gustav and Ike (See Note E.3), \$73,883 under a UASI grant to design and construct the new Multiplex Center, and \$32,778 for a Code Construction Grant.

TOWN OF GRAND ISLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE D - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

3. Capital Assets

The following is a summary of changes in capital assets related to governmental activities during the fiscal year:

	Balance July 1, 2008	Additions	Deletions	Transfers	Balance June 30, 2009
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 382,830	\$ 0	\$ 0	\$ 0	\$ 382,830
Construction in progress	997,607	1,991,105	0	(1,050,841)	1,937,871
Total capital assets, not being depreciated	1,380,437	1,991,105	0	(1,050,841)	2,320,701
Capital assets, being depreciated:					
Buildings and improvements	1,148,339	0	0	0	1,148,339
Furniture and equipment	463,387	75,888	0	0	539,275
Vehicles	201,969	34,657	(14,517)	0	222,109
Heavy Equipment	897,794	150,898	(33,721)	0	1,014,971
Infrastructure	5,091,762	0	0	1,050,841	6,142,603
Total capital assets, being depreciated	7,803,251	261,443	(48,238)	1,050,841	9,067,297
Less accumulated depreciation for:					
Buildings	(525,666)	(33,204)	0	0	(558,870)
Furniture and equipment	(368,659)	(24,100)	0	0	(392,759)
Vehicles	(89,510)	(22,420)	11,614	0	(100,316)
Heavy Equipment	(587,180)	(70,583)	28,904	0	(628,859)
Infrastructure	(1,084,500)	(307,130)	0	0	(1,391,630)
Total accumulated depreciation	(2,655,515)	(457,437)	40,518	0	(3,072,434)
Capital assets being depreciated, net					
Buildings	622,673	(33,204)	0	0	589,469
Furniture and equipment	94,728	51,788	0	0	146,516
Vehicles	112,459	12,237	(2,903)	0	121,793
Heavy Equipment	310,614	80,315	(4,817)	0	386,112
Infrastructure	4,007,262	(307,130)	0	1,050,841	4,750,973
Total capital assets being depreciated, net	5,147,736	(195,994)	(7,720)	1,050,841	5,994,863
Total governmental activities capital assets, net	\$ 6,528,173	\$ 1,795,111	\$ (7,720)	\$ 0	\$ 8,315,564

TOWN OF GRAND ISLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE D - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

The following is a summary of changes in capital assets related to business-type activities during the fiscal year:

	Balance July 1, 2008	Additions	Deletions	Transfers	Balance June 30, 2009
Business-type Activities:					
Capital assets, not being depreciated:					
Land	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Construction in progress	0	53,039	0	0	53,039
Total capital assets, not being depreciated	0	53,039	0	0	53,039
Capital assets, being depreciated:					
Buildings and improvements	0	0	0	0	0
Furniture and equipment	2,264	400	0	0	2,664
Vehicles	47,433	0	0	0	47,433
Heavy Equipment	4,186	0	0	0	4,186
Transmission and distribution systems	18,099,911	7,074	0	0	18,106,985
Total capital assets, being depreciated	18,153,794	7,474	0	0	18,161,268
Less accumulated depreciation for:					
Buildings	0	0	0	0	0
Furniture and equipment	(932)	(465)	0	0	(1,397)
Vehicles	(17,487)	(9,487)	0	0	(26,974)
Heavy Equipment	(4,186)	0	0	0	(4,186)
Transmission and distribution systems	(3,880,005)	(450,809)	0	0	(4,330,814)
Total accumulated depreciation	(3,902,610)	(460,761)	0	0	(4,363,371)
Capital assets being depreciated, net					
Buildings	0	0	0	0	0
Furniture and equipment	1,332	(65)	0	0	1,267
Vehicles	29,946	(9,487)	0	0	20,459
Heavy Equipment	0	0	0	0	0
Infrastructure	14,219,906	(443,735)	0	0	13,776,171
Total capital assets being depreciated, net	14,251,184	(453,287)	0	0	13,797,897
Total governmental activities capital assets, net	\$ 14,251,184	\$ (400,248)	\$ 0	\$ 0	\$ 13,850,936

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE D - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

Accounting principles generally accepted in the United States of America require the capitalization and depreciation of general infrastructure assets. The Town was unable to determine the cost of its streets and roadways as of June 30, 2009. The Town's streets and roadways are considered a significant infrastructure asset and not capitalizing or depreciating these assets results in a significant understatement of the Town's assets, net assets, and expenses of the governmental activities. Because the Town was unable to determine the cost of the streets and roadways, the effect on the basic financial statements is not determinable.

Depreciation expense has been charged to the functions/programs of the Town as follows:

Governmental Activities

Executive	\$	210
General Government		40,492
Public Safety		25,090
Public Works		305,281
Health and Welfare		0
Culture, Recreation, and Tourism		86,364
Non-Departmental		0
Total Depreciation Expense - Governmental Activities	\$	<u>457,437</u>

Business-type Activities

Waterworks Utilities	\$	439,082
Gas Utilities		21,679
	\$	<u>460,761</u>

The Construction in Progress of \$1,937,871 relates to the following ongoing project(s).

Project	Expended to Date	Required Future Financing
Multiplex Center	\$ 273,246	\$ 168,291
Pump Station Repairs	\$ 1,664,626	\$ 76,490

The Multiplex Center project is still in the design phase. The Town is working on finalizing the funding on the project. The Pump Station Repairs are in process and nearing completion. FEMA is covering a large portion of the repairs and claims (project worksheets) have been filed with them for \$1,741,116.

TOWN OF GRAND ISLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE D - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

Hurricane Katrina

As discussed in Note E.3, Hurricane Katrina damaged or destroyed a good portion of the Town's general fixed assets. Storm surge caused the loss of most of the Police Department's assets, several pump stations, and some infrastructure assets (such as the fishing pier) and heavy equipment. Additional losses are still being identified and claims are being filed with FEMA. Additional insurance claims may also be made. As of this date, FEMA has obligated \$6,398,010 in claims related to this hurricane.

Hurricanes Gustav and Ike

As discussed in Note E.3, Hurricanes Gustav and Ike damaged or destroyed some of the Town's general fixed assets. Storm surge caused the loss of most of the Police Department's assets, damaged the Community Center, and some infrastructure assets (such as roads and streets and the fishing piers). Additional losses are still being identified and claims are being filed with FEMA and the insurance company. As of this date, FEMA has obligated \$4,007,650 in claims related to this hurricane.

Water District Takeover

As discussed in Note G, the Parish of Jefferson created Sub-District No. 1 of the Consolidated Water District No. 2 of Jefferson Parish in July 2005. This Sub-District effectively takes over the daily operations of the Town's water district, while the Town maintains custody of the Lafitte-to-Grand Isle waterline along with the associated debt (i.e., Water Revenue Bonds, Series 2000). This "take-over" of the water district effectively took place on or about August 15, 2005. Under the terms of the takeover, the Town turned over all operating assets to the Parish's Water District, except for the Lafitte-to-Grand Isle Waterline. The Waterline and related debt remain on the books of the Town because of restrictions in the bond indenture that funded the waterline construction.

4. **Restricted Assets**

The balances of Waterworks Utility and Gas Utility Enterprise Funds' restricted asset accounts are as follows:

<u>Restricted Asset Account</u>	
Water Pipeline Debt Service - Sinking Fund	\$ 49,162
Water Pipeline Debt Service - Reserve Fund	221,040
Water Pipeline - Reserve for Depreciation and Contingencies	274,323
Total Waterworks	<u>544,525</u>
 Gas Utility - Meter Deposit Fund	 42,577
Total Restricted Assets	<u>\$ 587,102</u>

TOWN OF GRAND ISLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE D - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

5. Long-Term Debt

Community Disaster Loan Payable - FEMA

The Town applied for a special Community Disaster Loan from the Federal Emergency Management Agency (FEMA) in the aftermath of Hurricanes Katrina and Rita. This program is designed to provide badly needed operating funds to local governments in disaster areas. The Town was approved for disaster loans up to \$561,735. For the first few months after the storms, operating revenues were severely depressed and unpredictable. The Town drew down \$112,347 against the approved loan amount. Once the local economy stabilized, the Town did not draw down any additional funds. These loans are due and payable on February 1, 2011. Interest accrues on the outstanding amount at an annual rate of 2.74 percent. At June 30, 2009, no payments of principal had yet been made, thus, the balance of \$112,347 is reflected on the Statement of Net Assets as a noncurrent liability. Accrued interest payable totaled \$10,188 at year-end and is also reflected in the Statement of Net Assets as a noncurrent liability. Interest is due and payable upon maturity of the loan.

The following is a schedule of the future minimum lease payments under these loan agreements, and the present value of the net minimum lease payments at June 30, 2009.

<u>Fiscal Year Ending June 30,</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
2010	\$ 0	\$ 0
2011	122,535	0
Total minimum lease payments	122,535	0
Less: amount representing interest	(10,188)	0
Present value of future minimum lease payments	<u>\$ 112,347</u>	<u>\$ 0</u>

Water Revenue Bonds, Series 2000

The Waterworks Utilities Enterprise Fund issued Water Revenue Bonds, Series 2000 on February 25, 2000, totaling \$9,225,000, with an interest rate of 4.75% per annum. The proceeds of the revenue bonds were used to pay off the 2000 Bond Anticipation Notes issued by the Louisiana Facilities Planning Department. The Water Revenue Bonds are secured and payable solely by a pledge of the income and revenues of the Waterworks Utility System after provision has been made for payment of reasonable and necessary costs and expenses of operating and maintaining the system. Beginning March 25, 2002, and continuing each month through February 25, 2040, payments of \$43,819, representing principal and interest, are due each month. Payments totaling \$541,508 (\$115,525 principal and \$425,983 interest) were made during the current fiscal year. Revenue bond debt service requirements to maturity, including interest of \$7,926,702, are as follows:

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE D - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

Year Ending, June 30,	Water Revenue Bonds R-1	Water Revenue Bonds R-2	Total
2010	\$ 399,000	\$ 126,825	\$ 525,825
2011	399,000	126,825	525,825
2012	399,000	126,825	525,825
2013	399,000	126,825	525,825
2014	399,000	126,825	525,825
Thereafter	10,507,000	3,339,725	13,846,725
Total minimum payments	12,502,000	3,973,850	16,475,850
Less amount representing interest	(6,014,841)	(1,911,861)	(7,926,702)
Principal Due	\$ 6,487,159	\$ 2,061,989	\$ 8,549,148

There are a number of limitations and restrictions contained in the bond indenture which the Town was in compliance with during the fiscal year ended June 30, 2009, except for the following:

Under Section 9 of Ordinance 701, the Waterworks Utility fund is required "to provide revenues in each year, after paying all reasonable and necessary expenses of operating and maintaining the system in such year, of at least 120% of the largest amount of principal and interest falling due on the bonds ... in any future year." Under this requirement, the Waterworks fund should have \$630,990 of surplus funds (\$525,825 - highest principal and interest due times 120%) each year after paying the operating and maintenance costs. The fund has fallen short of this requirement for the past several years. The Town cannot calculate compliance with this requirement due to the takeover of the water operations by the Parish Water District (See Note G). All operating revenues and expenses are now the responsibility of the Parish Water District. Under the terms of this takeover agreement, the Parish now provides water directly to the Town's citizens and bills and collects water sales revenues. The Parish is to remit any surplus funds to the Town each month in order for the Town to make payment on the outstanding debt. Absent any surplus, the Parish agrees to provide a subsidy sufficient to pay the monthly debt.

As noted in Note C.4, the Waterworks Utilities Enterprise Fund has a deficit in its unrestricted net assets at June 30, 2009 of (\$394,406).

The Town has been unable to renew its waterline damage policy due to premium increases. Thus, the Town does not have any insurance on the waterline as of June 30, 2009. This violates Section 13(c) of Ordinance 701, which authorized the sale of the Water Revenue Bonds, Series 2000.

TOWN OF GRAND ISLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE D - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

Changes in General Long-Term Liabilities

The following is a summary of the changes in long-term debt related to governmental activities for the fiscal year ended June 30, 2009:

Type of Debt	Balance, July 1, 2008	Additions	Reductions	Balance, June 30, 2009	Due Within 1 year
Governmental Activities:					
Community Disaster Loan - FEMA	\$ 119,459	\$ 3,076	\$ 0	\$ 122,535	\$ 0
Totals	\$ 119,459	\$ 3,076	\$ 0	\$ 122,535	\$ 0
Business-type Activities:					
Water Revenue Bonds	\$ 8,664,673	\$ 0	\$(115,525)	\$ 8,549,148	\$ 525,825
Totals	\$ 8,664,673	\$ 0	\$(115,525)	\$ 8,549,148	\$ 525,825

Included in the Community Disaster Loan payable shown above is \$10,188 of accrued interest.

6. **Reservations and Designations of Fund Balances in Fund Financial Statements**

The following reserves and designations of fund balance/retained earnings have been provided for in the financial statements.

GOVERNMENTAL ACTIVITIES

Fund Balance - Designated for Subsequent Year's Expenditures

This designation typically represents the budgeted deficiency of revenues over expenditures in the FY 09-10 budget. Since the budget doesn't reflect a deficit, no amount is shown.

BUSINESS-TYPE ACTIVITIES

The following restrictions of the Waterworks Utility Fund's retained earnings are required by bond covenants:

Reserve for Debt Service - Sinking

This reserve represents the amount of money set aside to pay the next principal and/or interest due. For the first two years, the monthly transfer was \$36,516. Effective March 20, 2002, the monthly transfer is \$43,819.

Reserve for Debt Service - Reserve

This reserve represents the amount of money set aside to pay principal and/or interest on the Water Revenue Bonds should the sinking Fund be unable to pay. For the first two years, the Waterworks Utility Fund was required to transfer \$1,826 per month (i.e., 5% of the Sinking Fund payments) into this fund. Effective March 20, 2002, the monthly transfer increased to \$2,191. Money is to be deposited into this fund until the Reserve Requirement of \$525,825 is accumulated.

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE D - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

Reserve for Depreciation and Contingencies

This fund is established to accumulate monies to care for extensions, additions, improvements, renewals and replacements necessary to keep the system operating properly. For the first two years, the Waterworks Utility fund is to transfer \$1,826 per month into this fund. Effective March 20, 2002, this transfer increased to \$2,191 and will continue until the \$525,825 is accumulated in the Reserve Fund. At that time, the transfer into the reserve fund will cease and the transfer into the depreciation and contingencies fund increase to \$4,382 per month.

7. Taxes

Sales Taxes

The total sales tax levied on purchases within the Town limits during the fiscal year ended June 30, 2009 was 8 3/4 percent. Of this 8 3/4 percent, 4 percent is levied by the State, 1 1/2 percent is levied by the Jefferson Parish Public School System (a separate entity), 3 percent is levied by the Parish of Jefferson (a separate entity), and 1/4 percent is levied by the Jefferson Parish Sheriff's Office.

Of the 3 percent levied by the Parish, 1/2 percent is remitted to the Jefferson Parish Public School System and 2 1/2 percent is remitted to the Town (as in incorporated municipality). Of the 2 1/2 percent received by the Town, 1/6 percent is recognized in the Drainage District No. 1 Special Revenue Fund. The balance goes to the Town's General Fund.

The 1/4 percent levied by the Sheriff's Office is remitted directly to the Town for law enforcement purposes and is recognized in the General Fund.

Ad Valorem Taxes

The Town levies an ad valorem tax on real property within the city limits. Ad valorem taxes are recognized in the fiscal year in which the taxes are levied. The levy is generally made as of November 15 of each year. The tax is due, and becomes an enforceable lien on the property, on the first day of the month following the filing of the tax roll by the Parish Assessor with the Louisiana Tax Commission (usually December 1). The tax is considered delinquent on March 1 in the year after the levy. The taxes are billed and collected by the Town.

Ad valorem taxes are levied based on property values determined by the Jefferson Parish Assessor's Office (a separate entity). All land and residential improvements are assessed at 10 percent of its fair market value, and other property at 15 percent of its fair market value. Ad valorem taxes are levied (per \$1,000 assessed value) in varying amounts for maintenance and operation of the Town.

The number of mills levied on the 2008 tax rolls was 7.17 for the General Fund and 5.06 for the Waterworks and Gas Utility funds. These funds split the 5.06 mills, with 80 percent going to the Waterworks Utility Fund and 20 percent going to the Gas Utility Fund.

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE D - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

8. Interfund Transactions

Interfund Receivables and Payables

Individual balances due from/to other funds at June 30, 2009 are as follows:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 613,558	\$ 45,351
Major Special Revenue Funds		
Community Center and Playground District No. 16	14,201	15,898
Other Governmental Funds		
Drainage District No. 1	33,058	0
Mosquito Control Fund	5,907	12,748
Riverboat Gambling Fund	11,176	0
	50,141	12,748
Total Governmental Funds	677,900	73,997
Proprietary Funds		
Waterworks Utilities Enterprise Fund		
Unrestricted	6,958	489,538
Restricted	0	0
Gas Utilities Enterprise Fund		
Unrestricted	5,664	119,875
Restricted	0	7,112
Total Proprietary Funds	12,622	616,525
Total All Funds	\$ 690,522	\$ 690,522

TOWN OF GRAND ISLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE D - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

Operating Transfers

A summary of operating transfers by fund type for the fiscal year ended June 30, 2009 is as follows:

Fund Type	Transfers To or From	Operating Transfers In	Operating Transfers Out
General Fund	Drainage District No. 1	\$ 0	\$ 345
Special Revenue Fund			
Drainage District No. 1	General Fund	345	0
		<u>\$ 345</u>	<u>\$ 345</u>

NOTE E - CONTINGENCIES

1. Risk Management

The Town is exposed to various risks of loss from personal injury; torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To protect itself from these losses, the Town purchases various types of commercial insurance. The Town pays premiums for coverage on general liability, auto, and excess liability. Coverage limits per occurrence is \$500,000, with an aggregate limit of \$500,000 on general liability claims and \$500,000 on excess liability claims.

The Town also carries commercial insurance for other risks of loss, including law enforcement officer's liability, public officials errors and omission, workers' compensation, employee health and accident insurance, fire damage, etc. In each policy, the Town is responsible for the deductible. Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three fiscal years.

During 08/09, the Town was unable to renew its waterline damage policy due to premium increases. Thus, the Town does not have any insurance on the waterline as of June 30, 2009. This violates Section (c) of Ordinance 701 which authorized the sale of the Water Revenue Bonds, Series 2000.

2. Commitments and Contingencies

Commitment - Deltide 6-inch Gas Line

On August 11, 1962, the Town entered into a lease agreement with Deltide Fishing and Rental Tools, Inc. whereby Deltide leased its interest in a 6" gas line to the Town for a period of 30 years. Under the lease agreement, the Town agreed to pay Deltide \$200 per year as compensation for administrative and other expenses incurred in connection with the lease agreement. In addition, the Town agreed to reimburse Deltide for any and all amounts which Deltide may have to pay for operation, maintenance and repair of the gas line.

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE E - CONTINGENCIES (CONTINUED)

At June 30, 1996, a liability of \$49,205 was recorded in the Waterworks and Gas Utilities Enterprise Fund for the amounts due under this lease agreement through that date. During the fiscal year ended June 30, 1998, the Town made one payment of \$24,192, leaving a balance due of \$25,013. While the lease term officially expired on August 11, 1992, the Town has continued using the gas line pending the formulation of a new lease agreement and would therefore still be responsible for payments under the lease.

3. Federal Financial Assistance

The Town participates in certain federal financial assistance programs. Amounts received or receivable from grantor agencies are subject to audit and adjustments by grantor agencies, principally the federal and state governments. Any disallowed costs, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

Hurricanes Katrina and Rita

On August 29, 2005, Hurricane Katrina struck the New Orleans Metropolitan area, which includes Jefferson Parish and the Town of Grand Isle. While the Town was spared from a direct hit, the Isle was overrun by the storm surge from the Hurricane. Approximately 30 percent of the businesses and residences on the back side of the Isle (including the Caminada area) were destroyed or badly damaged. Most of the Town's major assets (i.e., buildings) survived the Hurricane, however, some of its office equipment (police department), heavy equipment (pump stations), vehicles and infrastructure assets were damaged or destroyed. The gas lines sustained damage, as well as part of the water distribution system due to salt-water intrusion. The Town's fishing pier was partially destroyed. On September 24, 2005, Hurricane Rita hit the western side of the State of Louisiana, however, the tidal surge brought in by the storm again affected the Town of Grand Isle and the southern part of Jefferson Parish.

Before, during, and after the Hurricanes, the Town incurred expenses for emergency management, evacuations, debris removal, etc., most of which will be reimbursed by the Federal Emergency Management Agency (FEMA). To date, the Town has filed claims (i.e., project worksheets) totaling \$6,398,010. Additional claims are pending as the damage continues to be surveyed and assessed. As of June 30, 2009, the Town has incurred eligible expenditures totaling \$4,668,036 and has received \$4,575,525. The balance of \$92,511 has been accrued as a receivable (See Note D.2). The Town also applied for and was awarded a Community Disaster Loan of up to \$561,735 to help provide operating funds in the aftermath of the disaster (See Note D.5). An additional \$33,773 of expenditures was incurred relating to Hurricane Rita. Claims were filed with FEMA and the amount was received during the prior fiscal year.

Despite the devastation seen throughout the area, the local economy appears to have only suffered slightly. Sales taxes and gaming commissions dropped in the immediate aftermath of the storm, but have rebounded and remained steady. Property taxes originally dropped by 2.0 percent as properties were reassessed for damages, however, on the 2007 tax roll, they increased 37.6 percent. For the current tax roll, assessed values were down 15.3 percent (as damages from Gustav and Ike took effect).

TOWN OF GRAND ISLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE E - CONTINGENCIES (CONTINUED)

Hurricanes Gustav and Ike

On August 29, 2008, Hurricane Gustav struck just west of the New Orleans Metropolitan Area. Due to the severity of the storm, the New Orleans Metropolitan Area, including Jefferson Parish, was evacuated. While the widespread wind and flood damage that was experienced during Hurricane Katrina did not occur in the northern parts of the Parish, the southern-most part of the Parish, including the community of Grand Isle, experienced severe damage. Most of the Town's facilities were spared significant damage, however, the hurricane protection levee suffered severe damage and the gas distribution lines experienced salt-water intrusion. Several roads and streets also suffered damage. The Town provided emergency services before, during and after the Hurricane. To date, the Town has filed claims (i.e., project worksheets) totaling \$1,371,962. Additional claims are pending as the damage continues to be surveyed and assessed. As of June 30, 2009, the Town has incurred eligible expenditures totaling \$355,098 and has received \$288,114. The balance of \$66,984 has been accrued as a receivable (See Note D.2).

On September 11, 2008, Hurricane Ike passed just south of the coast of Louisiana and struck the State of Texas. While the area was spared a direct hit, the southern parts of the Parish, including the communities of Grand Isle, Lafitte, Barataria, and Crown Point suffered significant damage from storm and tidal surges. Again, the Town's facilities were spared any significant damage, however, the Town was once again evacuated. The Town provided emergency services before, during and after the Hurricane. The Town provided emergency services before, during and after the Hurricane. To date, the Town has filed claims (i.e., project worksheets) totaling \$2,635,688. Additional claims are pending as the damage continues to be surveyed and assessed. As of June 30, 2009, the Town has incurred eligible expenditures totaling \$30,162 and has received \$-0-. The balance of \$30,162 has been accrued as a receivable (See Note D.2).

NOTE F - OTHER INFORMATION

1. Retirement Plan

The Town provides a Savings Incentive Match Plan for employees (i.e., a SIMPLE IRA Plan). The plan allows all full-time employees to make pre-tax salary deferrals of up to \$6,000 annually. The Town is required to make either a dollar-for-dollar match up to 3% of compensation or a 2% nonelective contribution to all eligible participants. The funds are held by a third-party trustee in accounts for each employee. Total contributions to the plan for the year ended June 30, 2009 totaled \$43,833 (\$22,565 employee and \$21,268 employer).

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE G - SPECIAL ITEMS

1. **Restructuring of Water District**

In an effort to address the failing financial condition of the Waterworks Utility Fund, the Town passed Ordinance No. 816 on April 12, 2005 asking for the Parish of Jefferson to take-over the daily operations of the Town's water district. On July 13, 2005, the Parish complied by passing Ordinance No. 22560, which created Sub-District No. 1 of the Consolidated Water District No. 2 of Jefferson Parish. This Sub-District effectively takes over the daily operations of the Town's water district, while the Town maintains custody of the Lafitte-to-Grand Isle waterline along with the associated debt (i.e., Water Revenue Bonds, Series 2000).

Under the terms of the Local Services Agreement, which was authorized by Resolution No. 2430 on August 9, 2005, the Town's citizens and businesses are now customers of Sub-District No. 1 of the Consolidated Water District No. 2 of Jefferson Parish (i.e., the Parish's Water Department). All water services (usage, installation, repairs, etc.) are now provided to the citizens and businesses of the area by the Parish's Water Department. All billings and collections for services are now handled by the Parish as well.

The citizens and businesses of the Town will continue to pay the current rates (subject to CPI increases) to help fund the outstanding debt. These rates, which are higher than any other Parish resident, will continue to be paid even after the debt is paid off to repay the Parish's Sub-District for any subsidies that may have been provided over the years.

This "take-over" of the water district effectively took place on or about August 15, 2005. On that date, all operating assets (fixed assets, etc.) were turned over to the Parish's Water District (See Note D.3). Additional assets (gas deposits, petty cash, and outstanding utility billings) totaling \$147,369 were transferred to the Gas Utilities Enterprise Fund. The Waterworks fund is essentially left with the Lafitte-to-Grand Isle waterline, the associated debt (i.e., Water Revenue Bonds, Series 2000, and any amounts due to other funds that resulted from the Waterworks fund not being able to remit general collections to the General Fund, the Mosquito Fund, and the Gas Fund.

The Town's ad valorem taxes that are collected for the Waterworks and Gas Utility Funds will be remitted to the Parish of Jefferson (after the Town's Water District pays off its current outstanding debt). The Parish's Sub-District will collect all operating revenues of the water district. By the 20th of each month, the Parish's Sub-District will remit any surplus revenues to the Town's Waterworks Utility Fund so that the Town may service the debt on the Water Revenue Bonds. Should there be no surplus, the Parish agrees to provide a subsidy to the Town in an amount sufficient to service the debt.

During the current fiscal year, the Parish' Water Department provided \$496,382 in operating subsidies to the Town's Waterworks Utility Fund to help cover debt service payments due under the Water Revenue Bonds.

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

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**COMBINING STATEMENTS
NON-MAJOR GOVERNMENTAL FUNDS**

SPECIAL REVENUE FUNDS

Special Revenue Funds account for the proceeds of specific revenues that are legally restricted to expenditures for specific purposes.

SEIZURE AND FORFEITURE

Used to account for the proceeds of funds seized during drug enforcement activities. These proceeds are to be used exclusively for drug enforcement.

DRAINAGE DISTRICT NO. 1

Used to account for the proceeds of one-third of the 1981 ½ cent sales tax to be used for operations, maintenance, and improvements of the Town's drainage system.

EROSION CONTROL FUND

Used to account for intergovernmental revenues and donations received to be used for erosion control projects within the Town limits.

MOSQUITO CONTROL FUND

Used to account for the proceeds of a mosquito fee assessed on all residential and commercial property to be used to control the mosquito population within the community.

RIVERBOAT GAMBLING AND ADMISSIONS FEES

Used to account for the Town's 5 percent share of boarding fees received by Jefferson Parish from the Boomtown Belle Casino.

COMMUNITY FAIR

Used to account for the proceeds of the community fair sponsored by the Town.

TOWN OF GRAND ISLE, LOUISIANA

**NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2009**

	SPECIAL REVENUE FUNDS		
	SEIZURE AND FORFEITURE	DRAINAGE DISTRICT NO. 1	EROSION CONTROL FUND
ASSETS			
Cash and cash equivalents	\$ 367	\$ -	\$ 36,783
Investments	-	-	-
Receivables (net of allowance for uncollectibles)			
Accounts	-	-	-
Intergovernmental	-	7,226	-
Gaming fees and commissions	-	-	-
Due from other funds	-	33,058	-
TOTAL ASSETS	\$ 367	\$ 40,284	\$ 36,783
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ -	\$ -	\$ -
Accrued payroll and deductions	-	-	-
Due to other funds	-	-	-
TOTAL LIABILITIES	-	-	-
Fund Balances			
Reserved for:			
Inventory	-	-	-
Prepays	-	-	-
Unreserved, reported in:			
General Fund	-	-	-
Special Revenue Funds	367	40,284	36,783
Capital Project Funds	-	-	-
TOTAL FUND BALANCES	367	40,284	36,783
TOTAL LIABILITIES AND FUND BALANCES	\$ 367	\$ 40,284	\$ 36,783

MOSQUITO CONTROL FUND	RIVERBOAT GAMBLING ADMISSION FEES	COMMUNITY FAIR	TOTAL
\$ 114,338	\$ 43,424	\$ 17,552	\$ 212,464
-	23,057	-	23,057
20,661	-	-	20,661
-	-	-	7,226
-	-	-	-
5,907	11,176	-	50,141
<u>\$ 140,906</u>	<u>\$ 77,657</u>	<u>\$ 17,552</u>	<u>\$ 313,549</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
12,748	-	-	12,748
<u>12,748</u>	<u>-</u>	<u>-</u>	<u>12,748</u>
-	-	-	-
-	-	-	-
128,158	77,657	17,552	300,801
-	-	-	-
<u>128,158</u>	<u>77,657</u>	<u>17,552</u>	<u>300,801</u>
<u>\$ 140,906</u>	<u>\$ 77,657</u>	<u>\$ 17,552</u>	<u>\$ 313,549</u>

TOWN OF GRAND ISLE, LOUISIANA

NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
FOR THE YEAR ENDD JUNE 30, 2009

	SPECIAL REVENUE FUNDS		
	SEIZURE AND FORFEITURE	DRAINAGE DISTRICT NO. 1	EROSION CONTROL FUND
REVENUES			
Taxes			
Property taxes	\$ -	\$ -	\$ -
Sales taxes	-	32,089	-
Franchise taxes	-	-	-
Licenses and permits	-	-	-
Intergovernmental	-	-	-
Gaming fees and commissions	-	-	-
Fines and forfeitures	-	-	-
Charges for services	-	-	-
Interest	-	-	358
Miscellaneous	-	-	-
TOTAL REVENUES	-	32,089	358
EXPENDITURES			
Current			
Public Safety			
Executive	-	-	-
General government	-	-	-
Public safety	-	-	-
Public works	-	31,201	-
Health and welfare	-	-	-
Culture, recreation and tourism	-	-	-
Non-departmental	-	-	-
TOTAL EXPENDITURES	-	31,201	-
EXCESS (DEFICIENCY) OF REVNUES OVER EXPENDITURES	-	888	358
OTHER FINANCING SOURCES (USES)			
Transfers in	-	345	-
Transfers out	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	345	-
EXCESS (DEFICIENCY) OF REVNUES OVER EXPENDITURES AND OTHER SOURCES (USES)	-	1,233	358
FUND BALANCE			
Beginning of year	367	39,051	36,425
End of year	\$ 367	\$ 40,284	\$ 36,783

<u>MOSQUITO CONTROL FUND</u>	<u>RIVERBOAT GAMBLING ADMISSION FEES</u>	<u>COMMUNITY FAIR</u>	<u>TOTAL</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	32,089
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
140,633	-	-	140,633
936	811	91	2,196
-	-	-	-
<u>141,569</u>	<u>811</u>	<u>91</u>	<u>174,918</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	31,201
111,564	-	-	111,564
-	-	700	700
-	-	-	-
<u>111,564</u>	<u>-</u>	<u>700</u>	<u>143,465</u>
<u>30,005</u>	<u>811</u>	<u>(609)</u>	<u>31,453</u>
-	-	-	345
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>345</u>
30,005	811	(609)	31,798
98,153	76,846	18,161	269,003
<u>\$ 128,158</u>	<u>\$ 77,657</u>	<u>\$ 17,552</u>	<u>\$ 300,801</u>

TOWN OF GRAND ISLE, LOUISIANA

NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDD JUNE 30, 2009

	TOTALS BY FUNCTION			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	BUDGETS			
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	30,000	30,000	32,089	2,089
Intergovernmental	-	-	-	-
Gaming fees and commissions	-	-	-	-
Fines and forfeitures	1,000	1,000	-	(1,000)
Charges for services	170,000	111,000	140,633	29,633
Interest	2,040	2,040	2,196	156
Miscellaneous	5,500	5,500	-	(5,500)
TOTAL REVENUES	208,540	149,540	174,918	25,378
EXPENDITURES				
Current				
Public Safety	1,040	1,040	-	1,040
Public Works	133,400	133,400	31,201	102,199
Health and Welfare	156,900	123,900	111,564	12,336
Culture and Recreation	3,300	3,300	700	2,600
TOTAL EXPENDITURES	294,640	261,640	143,465	118,175
EXCESS (DEFICIENCY) OF REVNUES OVER EXPENDITURES	(86,100)	(112,100)	31,453	143,553
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	345	345
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	345	345
EXCESS (DEFICIENCY) OF REVNUES OVER EXPENDITURES AND OTHER SOURCES (USES)	(86,100)	(112,100)	31,798	143,898
FUND BALANCE				
Beginning of year	269,003	269,003	269,003	-
End of year	\$ 182,903	\$ 156,903	\$ 300,801	\$ 143,898

TOWN OF GRAND ISLE, LOUISIANA

NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDD JUNE 30, 2009

	SEIZURE AND FORFEITURE			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	BUDGETS			
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Fines and forfeitures				
Seizures and forfeitures	\$ 1,000	\$ 1,000	\$ -	\$ (1,000)
Interest	40	40	-	(40)
TOTAL REVENUES	<u> 1,040</u>	<u> 1,040</u>	<u> -</u>	<u> (1,040)</u>
EXPENDITURES				
Current				
Public Safety				
Police dog costs	-	-	-	-
Supplies	1,040	1,040	-	1,040
Towing fees	-	-	-	-
Training	-	-	-	-
Travel and lodging	-	-	-	-
TOTAL EXPENDITURES	<u> 1,040</u>	<u> 1,040</u>	<u> -</u>	<u> 1,040</u>
EXCESS (DEFICIENCY) OF REVNUES OVER EXPENDITURES	<u> -</u>	<u> -</u>	<u> -</u>	<u> -</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u> -</u>	<u> -</u>	<u> -</u>	<u> -</u>
EXCESS (DEFICIENCY) OF REVNUES OVER EXPENDITURES AND OTHER SOURCES (USES)	-	-	-	-
FUND BALANCE				
Beginning of year	367	367	367	-
End of year	<u>\$ 367</u>	<u>\$ 367</u>	<u>\$ 367</u>	<u>\$ -</u>

TOWN OF GRAND ISLE, LOUISIANA

NON-MAJOR SPECIAL REVENUE FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDD JUNE 30, 2009

DRAINAGE DISTRICT NO. 1				
	BUDGETS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Taxes				
Sales taxes	\$ 30,000	\$ 30,000	\$ 32,089	\$ 2,089
Interest	-	-	-	-
TOTAL REVENUES	30,000	30,000	32,089	2,089
EXPENDITURES				
Current				
Public Works				
Culverts and gates	1,000	1,000	4,278	(3,278)
Lease and rental payments	-	-	-	-
Miscellaneous	-	-	-	-
Repairs and maintenance - pump stations	19,000	19,000	18,927	73
Repairs and maintenance - vehicles	-	-	-	-
Utilities	10,000	10,000	7,996	2,004
Capital outlay				
Pump stations	-	-	-	-
TOTAL EXPENDITURES	30,000	30,000	31,201	(1,201)
EXCESS (DEFICIENCY) OF REVNUES OVER EXPENDITURES	-	-	888	888
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	345	345
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	345	345
EXCESS (DEFICIENCY) OF REVNUES OVER EXPENDITURES AND OTHER SOURCES (USES)	-	-	1,233	1,233
FUND BALANCE				
Beginning of year	39,051	39,051	39,051	-
End of year	\$ 39,051	\$ 39,051	\$ 40,284	\$ 1,233

TOWN OF GRAND ISLE, LOUISIANA

NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDD JUNE 30, 2009

	EROSION CONTROL FUND			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	BUDGETS			
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Interest	\$ 400	\$ 400	\$ 358	\$ (42)
TOTAL REVENUES	400	400	358	(42)
EXPENDITURES				
Current				
Public Works				
Engineering fees	-	-	-	-
Miscellaneous	36,900	36,900	-	36,900
TOTAL EXPENDITURES	36,900	36,900	-	36,900
EXCESS (DEFICIENCY) OF REVNUES OVER EXPENDITURES	(36,500)	(36,500)	358	36,858
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
EXCESS (DEFICIENCY) OF REVNUES OVER EXPENDITURES AND OTHER SOURCES (USES)	(36,500)	(36,500)	358	36,858
FUND BALANCE				
Beginning of year	36,425	36,425	36,425	-
End of year	\$ (75)	\$ (75)	\$ 36,783	\$ 36,858

TOWN OF GRAND ISLE, LOUISIANA

NON-MAJOR SPECIAL REVENUE FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDD JUNE 30, 2009

	MOSQUITO CONTROL FUND			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	BUDGETS			
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Charges for services				
Mosquito fees	\$ 170,000	\$ 111,000	\$ 140,633	\$ 29,633
Grass cutting fees	-	-	-	-
Interest	1,000	1,000	936	(64)
TOTAL REVENUES	171,000	112,000	141,569	29,569
EXPENDITURES				
Current				
Health and Welfare				
Audit	1,500	1,500	1,500	-
Bank Charges	-	-	-	-
Chemicals	35,000	40,000	37,173	2,827
Grass cutting	-	-	-	-
Interdepartmental administrative fee	5,400	5,400	5,400	-
Miscellaneous	-	-	-	-
Spraying and larviciding	115,000	77,000	67,491	9,509
Intergovernmental	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
TOTAL EXPENDITURES	156,900	123,900	111,564	12,336
EXCESS (DEFICIENCY) OF REVNUES OVER EXPENDITURES	14,100	(11,900)	30,005	41,905
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
EXCESS (DEFICIENCY) OF REVNUES OVER EXPENDITURES AND OTHER SOURCES (USES)	14,100	(11,900)	30,005	41,905
FUND BALANCE				
Beginning of year	98,153	98,153	98,153	-
End of year	\$ 112,253	\$ 86,253	\$ 128,158	\$ 41,905

TOWN OF GRAND ISLE, LOUISIANA

NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDD JUNE 30, 2009

	RIVERBOAT GAMBLING FEES			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	BUDGETS			
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Gaming fees and commissions				
Riverboat admission fees	\$ -	\$ -	\$ -	\$ -
Interest	500	500	811	311
TOTAL REVENUES	500	500	811	311
EXPENDITURES				
Current				
Public Works				
Christmas lights	-	-	-	-
Other special projects	66,500	66,500	-	66,500
TOTAL EXPENDITURES	66,500	66,500	-	66,500
EXCESS (DEFICIENCY) OF REVNUES OVER EXPENDITURES	(66,000)	(66,000)	811	66,811
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
EXCESS (DEFICIENCY) OF REVNUES OVER EXPENDITURES AND OTHER SOURCES (USES)	(66,000)	(66,000)	811	66,811
FUND BALANCE				
Beginning of year	76,846	76,846	76,846	-
End of year	\$ 10,846	\$ 10,846	\$ 77,657	\$ 66,811

TOWN OF GRAND ISLE, LOUISIANA

NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDD JUNE 30, 2009

	COMMUNITY FAIR			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	BUDGETS			
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Interest	\$ 100	\$ 100	\$ 91	\$ (9)
Miscellaneous				
Fair receipts	5,000	5,000	-	(5,000)
Fair donations	500	500	-	(500)
TOTAL REVENUES	5,600	5,600	91	(5,509)
EXPENDITURES				
Current				
Culture and Recreation				
Advertising	300	300	-	300
Bank charges	-	-	-	-
Fair supplies	3,000	3,000	700	2,300
TOTAL EXPENDITURES	3,300	3,300	700	2,600
EXCESS (DEFICIENCY) OF REVNUES OVER EXPENDITURES	2,300	2,300	(609)	(2,909)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
EXCESS (DEFICIENCY) OF REVNUES OVER EXPENDITURES AND OTHER SOURCES (USES)	2,300	2,300	(609)	(2,909)
FUND BALANCE				
Beginning of year	18,161	18,161	18,161	-
End of year	\$ 20,461	\$ 20,461	\$ 17,552	\$ (2,909)

*INDIVIDUAL FUND
STATEMENTS AND SCHEDULES*

TOWN OF GRAND ISLE, LOUISIANA

GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Taxes				
Property taxes	\$ 280,000	\$ 280,000	\$ 299,026	\$ 19,026
Sales taxes				
General	380,000	380,000	420,682	40,682
Law Enforcement	26,000	26,000	20,992	(5,008)
Hotel/Motel	22,000	22,000	24,857	2,857
Drainage	-	-	-	-
Franchise taxes				
Electric - Entergy	50,000	60,000	54,021	(5,979)
Cable - Vision Communications	20,000	20,000	17,134	(2,866)
	<u>778,000</u>	<u>788,000</u>	<u>836,712</u>	<u>48,712</u>
Licenses and permits				
Business				
Occupational	85,000	85,000	93,917	8,917
Liquor and beer	6,000	6,000	4,170	(1,830)
Non-business				
Building	90,000	30,000	39,415	9,415
Zoning and adjustments	1,200	1,200	425	(775)
	<u>182,200</u>	<u>122,200</u>	<u>137,927</u>	<u>15,727</u>
Intergovernmental				
Federal				
FEMA - Disaster Assistance	100,000	3,226,000	2,454,922	(771,078)
State				
Beer tax	6,000	6,000	6,346	346
Tobacco tax	-	-	-	-
Parish road fund	60,000	60,000	175,000	115,000
Tourism funds	12,500	12,500	12,500	-
LCLE/CJCC grants	-	2,400	-	(2,400)
DOTD - Highway maintenance	13,000	13,000	12,756	(244)
Beach Water Quality Program	6,300	6,300	3,150	(3,150)
LGAP - Fire equipment grants	-	-	-	-
LA Code Council grant	60,000	60,000	25,134	(34,866)
Facility Planning - Multiplex	-	-	-	-
Other State Programs	-	6,400	-	(6,400)
Local				
Jeff Parish - Capital Grants	-	-	-	-
Jeff Parish - Multiplex	-	-	-	-
	<u>257,800</u>	<u>3,422,600</u>	<u>2,689,808</u>	<u>(732,792)</u>
Gaming fees and commissions				
Riverboat admission fees	460,000	460,000	464,374	4,374
Video poker allocation	52,000	52,000	51,291	(709)
	<u>512,000</u>	<u>512,000</u>	<u>515,665</u>	<u>3,665</u>
Fines and forfeitures				
Fines and court costs	120,000	120,000	103,464	(16,536)
Bond fees	900	900	448	(452)
	<u>120,900</u>	<u>120,900</u>	<u>103,912</u>	<u>(16,988)</u>
Charges for services				
Sanitation fees	402,000	402,000	472,971	70,971
Tax research and notices	2,000	2,000	3,224	1,224
Inspection fees	-	60,000	61,787	1,787
	<u>404,000</u>	<u>464,000</u>	<u>537,982</u>	<u>73,982</u>
Interest	<u>40,000</u>	<u>40,000</u>	<u>35,503</u>	<u>(4,497)</u>
Miscellaneous				
Interdepartmental administrative fee	15,000	15,000	26,400	11,400
10% tax collection charge	18,000	18,000	18,268	268
Donations	-	350,000	345,000	(5,000)
Website listing and links	-	-	-	-
Tourism booth fees	-	-	-	-
Other	13,200	13,200	45,658	32,458
	<u>46,200</u>	<u>396,200</u>	<u>435,326</u>	<u>39,126</u>
TOTAL REVENUES	\$ 2,341,100	\$ 5,865,900	\$ 5,292,835	\$ (573,065)

TOWN OF GRAND ISLE, LOUISIANA

GENERAL FUND
SCHEDULE OF EXPENDITURES BY DEPARTMENT - BUDGET AND ACTUAL
EXECUTIVE FUNCTION
FOR THE YEAR ENDED JUNE 30, 2009

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
MAYOR'S DEPARTMENT				
Current				
Salaries	\$ 65,000	\$ 65,000	\$ 71,029	\$ (6,029)
Local and special costs	500	500	60	440
Office supplies	2,000	2,000	1,561	439
Legal and professional fees	15,000	15,000	8,400	6,600
Repairs - vehicles	4,000	4,000	938	3,062
Gas and oil	5,000	5,000	2,407	2,593
Telephone	-	-	-	-
Travel and other	4,500	4,500	1,904	2,596
Miscellaneous	500	500	53	447
Intergovernmental	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay				
Office furniture and equipment	2,000	2,000	1,741	259
TOTAL DEPARTMENT	\$ 98,500	\$ 98,500	\$ 88,093	\$ 10,407
TOTAL EXECUTIVE	\$ 98,500	\$ 98,500	\$ 88,093	\$ 10,407

TOWN OF GRAND ISLE, LOUISIANA

GENERAL FUND

SCHEDULE OF EXPENDITURES BY DEPARTMENT - BUDGET AND ACTUAL

GENERAL GOVERNMENT FUNCTION

FOR THE YEAR ENDED JUNE 30, 2009

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
GENERAL AND ADMINISTRATIVE				
Current				
Salaries	\$ 130,000	\$ 130,000	\$ 124,338	\$ 5,662
Payroll taxes	56,000	64,000	62,561	1,439
Unemployment taxes	1,000	1,000	864	136
Insurance - hospitalization	88,000	88,000	117,235	(29,235)
Insurance - workman's compensation	30,000	40,000	32,581	7,419
Retirement - employer contributions	18,000	22,000	21,268	732
Aldermen - per diems	31,185	31,185	31,186	(1)
Aldermen - expenses	7,500	7,500	7,415	85
Audit	5,500	5,900	5,900	-
Legal and professional fees	15,000	15,000	3,000	12,000
Office supplies	6,000	6,000	5,338	662
Coffee supplies	2,500	3,000	2,835	165
Janitorial supplies	600	1,500	1,583	(83)
Advertising	4,500	9,000	10,165	(1,165)
Bank charges	500	500	214	286
Signs and insignias	1,000	6,000	5,706	294
LMA - dues	300	300	-	300
LMA - expenses	4,000	4,000	3,501	499
Dues and subscriptions	2,900	3,600	3,489	111
Insurance - general and auto	50,000	50,000	31,070	18,930
Utilities	18,000	18,000	19,611	(1,611)
Postage	3,500	4,500	4,575	(75)
Telephone	17,000	18,500	16,869	1,631
Repairs - buildings	11,000	100,000	112,436	(12,436)
Repairs - office equipment	7,000	8,500	8,714	(214)
Repairs - vehicles	4,000	4,000	(1,113)	5,113
Repairs - donated pilings	-	-	-	-
Repairs - erosion control	-	-	-	-
Repairs - storm damage	100,000	475,000	344,879	130,121
Gas and oil	15,000	15,000	6,938	8,062
Public assistance	1,500	2,500	2,122	378
Physicals	1,000	1,000	285	715
School training	500	500	-	500
Uniforms	2,500	2,500	2,238	262
Travel and other	500	500	-	500
Safety equipment	500	500	37	463
Elections and inauguration	-	820	817	3
Miscellaneous	2,000	2,000	1,172	828
Intergovernmental	-	11,400	4,297	7,103
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay				
Buildings and structures	-	1,100,000	326,480	773,520
Office furniture and equipment	4,000	6,500	52,748	(46,248)
Heavy equipment	-	-	-	-
Vehicles	2,000	2,000	14,571	(12,571)
Christmas decorations	2,000	2,000	1,809	191
Hurricane Levee restoration	-	30,000	29,608	392
Pump Station Rehab	-	1,626,000	1,664,626	(38,626)
TOTAL DEPARTMENT	\$ 646,485	\$ 3,920,205	\$ 3,083,968	\$ 836,237

TOWN OF GRAND ISLE, LOUISIANA

GENERAL FUND

SCHEDULE OF EXPENDITURES BY DEPARTMENT - BUDGET AND ACTUAL

GENERAL GOVERNMENT FUNCTION (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2009

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
PLANNING COMMISSION AND TAX DEPARTMENT				
Current				
Salaries	\$ 65,000	\$ 88,000	\$ 87,911	\$ 89
Dues and subscriptions	-	-	-	-
Office supplies	2,000	3,000	2,103	897
Contracted services	60,000	60,000	59,025	975
Printing - tax bills	3,000	3,000	2,912	88
Postage	3,500	4,500	4,750	(250)
Advertising	1,100	1,100	(2,358)	3,458
Recordation	1,000	1,000	(1,298)	2,298
Travel and other	800	800	49	751
Miscellaneous	100	100	(3,156)	3,256
Intergovernmental	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay				
Office furniture and equipment	60,000	60,000	27,309	32,691
TOTAL DEPARTMENT	<u>\$ 196,500</u>	<u>\$ 221,500</u>	<u>\$ 177,247</u>	<u>\$ 44,253</u>
TOTAL GENERAL GOVERNMENT	<u>\$ 842,985</u>	<u>\$ 4,141,705</u>	<u>\$ 3,261,215</u>	<u>\$ 880,490</u>

TOWN OF GRAND ISLE, LOUISIANA

GENERAL FUND
SCHEDULE OF EXPENDITURES BY DEPARTMENT - BUDGET AND ACTUAL
PUBLIC SAFETY FUNCTION
FOR THE YEAR ENDED JUNE 30, 2009

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
POLICE DEPARTMENT				
Current				
Salaries	\$ 320,000	\$ 326,000	\$ 329,937	\$ (3,937)
Payroll taxes	-	-	-	-
Unemployment taxes	-	-	-	-
Insurance - hospitalization	58,000	58,000	54,510	3,490
Insurance - workman's compensation	22,000	25,000	21,525	3,475
Retirement - employer contributions	-	-	-	-
Dues and subscriptions	200	200	200	-
Food and lodging - deputies	1,000	1,000	261	739
Food - prisoners	700	700	413	287
Legal and professional fees	500	500	-	500
Local and special	1,000	1,000	-	1,000
Office supplies	4,000	4,000	3,238	762
Coffee supplies	2,200	2,500	2,766	(266)
Janitorial supplies	1,300	1,300	1,108	192
Ammunition	500	500	100	400
Chemicals	100	100	-	100
Insurance - general and auto	18,000	22,300	24,763	(2,463)
Utilities	3,500	3,500	3,296	204
Postage	500	500	98	402
Telephone	14,500	14,500	13,383	1,117
Repairs - buildings	5,000	10,000	9,011	989
Repairs - office equipment	2,500	2,500	759	1,741
Repairs - vehicles	16,000	16,000	7,411	8,589
Repairs - storm damage	-	25,000	19,625	5,375
Gas and oil	40,000	40,000	22,298	17,702
Physicals	-	-	-	-
School training	2,000	2,000	1,003	997
Uniforms	2,500	2,500	1,448	1,052
Travel and other	2,000	2,000	140	1,860
Public assistance	1,000	1,000	-	1,000
Small tools and equipment	250	250	24	226
Miscellaneous	2,000	2,000	1,159	841
Intergovernmental	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay				
Buildings and structures	-	-	-	-
Office furniture and equipment	2,000	2,500	2,184	316
Guns and equipment	500	2,900	1,000	1,900
Vehicles	3,000	15,000	14,075	925
TOTAL DEPARTMENT	\$ 526,750	\$ 585,250	\$ 535,735	\$ 49,515
CIVIL DEFENSE				
Current				
Salaries	\$ -	\$ -	\$ -	\$ -
Emergency supplies	5,000	5,000	4,451	549
Travel and other	-	-	-	-
Miscellaneous	-	-	-	-
Intergovernmental	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay				
Office furniture and equipment	-	-	-	-
TOTAL DEPARTMENT	\$ 5,000	\$ 5,000	\$ 4,451	\$ 549
TOTAL PUBLIC SAFETY	\$ 531,750	\$ 590,250	\$ 540,186	\$ 50,064

TOWN OF GRAND ISLE, LOUISIANA

GENERAL FUND
 SCHEDULE OF EXPENDITURES BY DEPARTMENT - BUDGET AND ACTUAL
 PUBLIC WORKS FUNCTION
 FOR THE YEAR ENDED JUNE 30, 2009

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
STREETS DEPARTMENT				
Current				
Salaries	\$ 200,000	\$ 226,000	\$ 192,953	\$ 33,047
Street repairs	10,000	10,000	9,007	993
Street signs	3,500	9,000	8,092	908
Limestone	15,000	18,000	15,798	2,202
Small tools and equipment	1,000	2,000	1,698	302
Repairs - vehicles	26,000	26,000	25,930	70
Gas and oil	40,000	55,000	51,321	3,679
Equipment rental	10,000	20,900	20,909	(9)
Uniforms	1,000	1,000	1,100	(100)
Travel and other	-	-	16	(16)
Miscellaneous	3,000	3,000	2,607	393
Intergovernmental	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay				
Buildings and structures	-	-	-	-
Office furniture and equipment	-	-	-	-
Vehicles	-	126,261	167,902	(41,641)
Street overlays	-	-	-	-
TOTAL DEPARTMENT	\$ 309,500	\$ 497,161	\$ 497,333	\$ (172)
SANITATION DEPARTMENT				
Current				
Contracted services - hauling fees	\$ 390,000	\$ 390,000	\$ 406,074	\$ (16,074)
Disposal charges	80,000	80,000	79,770	230
Repairs - dumpsite	-	-	-	-
Utilities	-	-	126	(126)
Miscellaneous	1,000	1,000	-	1,000
Intergovernmental	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay				
Vehicles	-	-	-	-
TOTAL DEPARTMENT	\$ 471,000	\$ 471,000	\$ 485,970	\$ (14,970)
TOTAL PUBLIC WORKS	\$ 780,500	\$ 968,161	\$ 983,303	\$ (15,142)

TOWN OF GRAND ISLE, LOUISIANA

GENERAL FUND
SCHEDULE OF EXPENDITURES BY DEPARTMENT - BUDGET AND ACTUAL
CULTURE, RECREATION AND TOURISM
FOR THE YEAR ENDED JUNE 30, 2009

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
TOURISM DEPARTMENT				
Current				
Salaries	\$ 21,000	\$ 21,000	\$ 20,374	\$ 626
Advertising	13,000	13,000	17,184	(4,184)
Dues and subscriptions	300	300	365	(65)
Office supplies	700	700	316	384
Telephone	2,600	2,600	2,667	(67)
Postage	400	400	-	400
Travel and other	2,000	2,000	198	1,802
Team city	2,000	2,000	-	2,000
Miscellaneous	300	300	30	270
Intergovernmental	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay				
Office furniture and equipment	500	500	-	500
TOTAL DEPARTMENT	<u>\$ 42,800</u>	<u>\$ 42,800</u>	<u>\$ 41,134</u>	<u>\$ 1,666</u>
TOTAL CULTURE, RECREATION, AND TOURISM	<u>\$ 42,800</u>	<u>\$ 42,800</u>	<u>\$ 41,134</u>	<u>\$ 1,666</u>

TOWN OF GRAND ISLE, LOUISIANA

COMMUNITY CENTER AND PLAYGROUND DISTRICT NO. 16
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDD JUNE 30, 2009

	BUDGETS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Intergovernmental				
Parish dedicated ad valorem taxes	\$ 269,000	\$ 269,000	\$ 264,355	\$ (4,645)
Office of State Parks - beach cleaning	-	-	-	-
Federal Grants - FEMA	55,000	55,000	-	(55,000)
Charges for services				
Rental income	2,000	2,000	2,000	-
Interest	9,000	9,000	4,073	(4,927)
Miscellaneous	1,000	1,000	110,507	109,507
TOTAL REVENUES	336,000	336,000	380,935	44,935
EXPENDITURES				
Current				
Culture and Recreation				
Salaries	34,000	34,000	29,757	4,243
Salaries - beach sweep	40,000	40,000	38,202	1,798
Payroll taxes	5,600	5,600	5,215	385
Unemployment taxes	500	500	345	155
Insurance				
Hospitalization	16,000	16,000	12,960	3,040
Workman's compensation	4,800	4,800	4,044	756
General and auto	34,000	34,000	34,437	(437)
Audit	5,000	5,000	5,000	-
Beach sweep costs	-	-	-	-
Gas and oil - beach equipment	10,000	10,000	8,329	1,671
Janitorial supplies	5,000	5,000	4,691	309
Legal and professional fees	500	500	(5,000)	5,500
Office supplies and costs	1,500	1,500	667	833
Recreational assistance	10,000	10,000	2,745	7,255
Repairs and maintenance				
Building	25,000	25,000	18,810	6,190
Office equipment	2,500	2,500	1,851	649
Vehicles and equipment	-	-	-	-
Beach cleaning equipment	5,000	5,000	2,758	2,242
Tennis courts	3,000	3,000	-	3,000
Parks and playgrounds	35,000	35,000	37,654	(2,654)
Small tools and equipment	500	500	417	83
Telephone	1,800	1,800	1,745	55
Utilities	34,000	34,000	32,050	1,950
Interdepartmental administrative	15,000	15,000	15,000	-
Miscellaneous	1,000	1,000	779	221
Capital outlays				
Buildings and structures	-	-	10,088	(10,088)
Office furniture and equipment	4,000	4,000	8,288	(4,288)
Beach cleaning equipment	2,700	2,700	2,639	61
Christmas decorations	2,000	2,000	1,211	789
Playground equipment	25,000	25,000	25,000	-
Intergovernmental	-	-	-	-
Debt Service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
TOTAL EXPENDITURES	323,400	323,400	299,682	23,718
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	12,600	12,600	81,253	68,653
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)	12,600	12,600	81,253	68,653
FUND BALANCE				
Beginning of year	566,493	566,493	566,493	-
End of year	\$ 579,093	\$ 579,093	\$ 647,746	\$ 68,653

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TOWN OF GRAND ISLE, LOUISIANA

WATERWORKS UTILITY FUND
SCHEDULE OF OPERATING EXPENSES
FOR THE YEAR ENDED JUNE 30, 2009

PERSONAL SERVICES

Salaries	\$	-
Payroll taxes		-
Unemployment tax		-
Insurance - workmen's compensation		-
Insurance - hospitalization and other		-
Total Personal Services		<u>-</u>

CONTRACTED SERVICES

Water purchases		-
Barging fees		-
Total Contracted Services		<u>-</u>

MATERIALS AND SUPPLIES

Installation materials and labor		-
Gas and oil		-
Chemicals		-
Small tools and equipment		-
Total Materials and Supplies		<u>-</u>

GENERAL AND ADMINISTRATIVE

Audit		-
Bank charges		143
Grant expenses - Rural Development		-
Insurance - general and auto		-
Interdepartmental administrative fee		-
Legal and professional fees		-
Miscellaneous		-
Office and janitorial supplies		-
One call service		-
Physicals and drug testing		-
Postage		-
Repairs and maintenance		-
Buildings		-
Equipment and machines		-
Fire Hydrant		-
Office equipment		-
Vehicles		-
Storm damage		-
Water tank		-
Water distribution system		-
Water transmission system		-
Water meters		-
Tax collection commission		13,121
Telephone		-
Training school		-
Travel and other		-
Uniforms		-
Utilities		-
Water master plan		-
Waterline survey		-
Total General and Administrative		<u>13,264</u>

DEPRECIATION

Depreciation and amortization	440,376
Total Depreciation	<u>440,376</u>

TOTAL OPERATING EXPENSES \$ 453,640

TOWN OF GRAND ISLE, LOUISIANA

**WATERWORKS UTILITY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS OF
RESTRICTED ASSET FUNDS
FOR THE YEAR ENDED JUNE 30, 2009**

WATER PIPELINE CONSTRUCTION FUND

Cash and cash equivalents at June 30, 2008	\$ -
Receipts	
Proceeds from State Capital Outlay	-
Interest and bank charges	-
Total Receipts	-
Disbursements	
Construction costs of water pipeline - phase IV	-
Refund to RDA	-
Repairs and maintenance - waterline distribution system - butterfly valve	-
Transfer to Waterworks Utility Sinking Fund	-
Total Disbursements	-
Cash and cash equivalents at June 30, 2009	\$ -

WATER PIPELINE DEBT SERVICE - SINKING FUND

Cash and cash equivalents at June 30, 2008	\$ 46,268
Receipts	
Transfers from Water O & M Fund	47,625
Intergovernmental subsidy - JP Water	496,382
Interest and bank charges	537
Total Receipts	544,544
Disbursements	
Payments of principal on Water Revenue Bonds, Series 2000	115,325
Payments of interest on Water Revenue Bonds, Series 2000	425,983
Bank Charges	142
Total Disbursements	541,650
Cash and cash equivalents at June 30, 2009	\$ 49,162

WATER PIPELINE DEBT SERVICE - RESERVE FUND

Cash and cash equivalents at June 30, 2008	\$ 218,357
Receipts	
Transfers from Waterworks Utility Fund	-
Interest and bank charges	2,683
Total Receipts	2,683
Cash and cash equivalents at June 30, 2009	\$ 221,040

TOWN OF GRAND ISLE, LOUISIANA

**WATERWORKS UTILITY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS OF
RESTRICTED ASSET FUNDS
FOR THE YEAR ENDED JUNE 30, 2009**

WATER PIPELINE - RESERVE FOR DEPRECIATION AND CONTINGENCIES FUND

Cash and cash equivalents at June 30, 2008	\$	218,936
Receipts		
Transfers from Waterworks Utility Fund		52,584
Interest and bank charges		2,803
Total Receipts		<u>55,387</u>
Cash and cash equivalents at June 30, 2009	\$	<u>274,323</u>

SUMMARY OF CASH AND CASH EQUIVALENTS - RESTRICTED ASSETS

Water Pipeline - Construction Fund	\$	-
Water Pipeline - Debt Service - Sinking Fund		49,162
Water Pipeline - Debt Service - Reserve Fund		221,040
Water Pipeline - Reserve for Depreciation and Contingencies Fund		274,323
Water Meter Deposit Fund		-
	\$	<u>544,525</u>

Reported on Balance Sheet as:

Restricted Assets		
Cash and cash equivalents		49,162
Investments		495,363
	\$	<u>544,525</u>

TOWN OF GRAND ISLE, LOUISIANA

**GAS UTILITY FUND
SCHEDULE OF OPERATING EXPENSES
FOR THE YEAR ENDED JUNE 30, 2009**

PERSONAL SERVICES

Salaries	\$ 58,060
Payroll taxes	4,303
Unemployment tax	518
Insurance - workmen's compensation	2,818
Insurance - hospitalization and other	10,947
Total Personal Services	<u>76,646</u>

CONTRACTED SERVICES

Gas purchases	90,576
Barging fees	-
Contracted services	24,444
Total Contracted Services	<u>115,020</u>

MATERIALS AND SUPPLIES

Installation materials and labor	20,814
Gas and oil	3,347
Chemicals	-
Small tools and equipment	149
Total Materials and Supplies	<u>24,310</u>

GENERAL AND ADMINISTRATIVE

Audit	1,100
Bank charges	-
Grant expenses - Rural Development	-
Insurance - general and auto	12,287
Inspection and surveys	2,314
Interdepartmental administrative fee	6,000
Miscellaneous	425
Office and janitorial supplies	3,519
One call service	1,912
Physicals and drug testing	556
Postage	5,167
Repairs and maintenance	
Vehicles	639
Gas distribution system	7,340
Training school	-
Total General and Administrative	<u>45,609</u>

DEPRECIATION

Depreciation and amortization	<u>21,679</u>
Total Depreciation	<u>21,679</u>

TOTAL OPERATING EXPENSES	\$ <u>283,264</u>
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TOWN OF GRAND ISLE, LOUISIANA

**AGENCY FUNDS
SCHEDULE OF CHANGES IN DEPOSIT BALANCES
DUE TO OTHERS
FOR THE YEAR ENDED JUNE 30, 2009**

DEPOSIT BALANCES DUE TO OTHERS	
AT JUNE 30, 2008	<u>\$ 288</u>

COLLECTIONS

Deposits	
Donations	225
Interest Income	-
Total Collections	<u>225</u>

DISTRIBUTIONS

Deposits Settled To:	
Town of Grand Isle General Fund	-
Disaster victims and vendors	-
Capital outlay	-
Total Distributions	<u>-</u>

DEPOSIT BALANCES DUE TO OTHERS	
AT JUNE 30, 2009	<u><u>\$ 513</u></u>

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OTHER INFORMATION

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TOWN OF GRAND ISLE, LOUISIANA

SCHEDULE OF PAYMENTS TO ALDERMEN

For the Fiscal Year Ended June 30, 2009

<u>ALDERMEN</u>		<u>AMOUNT</u>
Ray Santiny	Seat A	\$ 6,237
Joseph Lafont III	Seat B	6,237
Clifford Santiny	Seat C	6,237
Stephen Resweber	Seat D	6,237
Leoda Bladsacker	Seat E	6,237
TOTAL		<u><u>\$ 31,185</u></u>

TOWN OF GRAND ISLE
SCHEDULE OF CASH AND CASH EQUIVALENTS
June 30, 2009

<u>FUND/ACCOUNT</u>	<u>BANK</u>	<u>6/30/2009 BANK BALANCE</u>	<u>6/30/2009 BOOK BALANCE</u>
GENERAL FUND AND MAJOR FUNDS			
GENERAL FUND			
CASH AND CHECKING			
Petty Cash	N/A	\$ -	\$ 100
Operating	South Lafourche Bank	634,505	650,504
Accounts Payable	South Lafourche Bank	60,267	3,203
Payroll	South Lafourche Bank	10,258	600
Appearance Bonds	Community Bank	6,724	7,100
		<u>711,754</u>	<u>661,507</u>
LOUISIANA ASSET MANAGEMENT POOL			
General Fund Accounts		<u>1,629,724</u>	<u>1,629,724</u>
TOTAL GENERAL FUND		\$ <u>2,341,478</u>	\$ <u>2,291,231</u>
COMMUNITY CENTER AND PLAYGROUND DIST NO. 16			
CASH AND CHECKING			
Community Center	South Lafourche Bank	<u>169,138</u>	<u>166,934</u>
LOUISIANA ASSET MANAGEMENT POOL			
Community Center		<u>211,464</u>	<u>211,464</u>
TOTAL OTHER MAJOR FUNDS		\$ <u>380,602</u>	\$ <u>378,398</u>
TOTAL MAJOR FUNDS		\$ <u>2,722,080</u>	\$ <u>2,669,629</u>
NON-MAJOR FUNDS			
SPECIAL REVENUE			
CASH AND CHECKING			
Riverboat Gambling	South Lafourche Bank	43,424	43,424
Mosquito Control	South Lafourche Bank	109,017	114,338
Seizure and Forfeiture	South Lafourche Bank	367	367
Erosion Control	South Lafourche Bank	36,783	36,783
Community Fair	State Bank	18,252	17,552
USDA Grant Fund	South Lafourche Bank	-	-
		<u>207,843</u>	<u>212,464</u>
LOUISIANA ASSET MANAGEMENT POOL			
Riverboat Gambling		<u>23,057</u>	<u>23,057</u>
		<u>23,057</u>	<u>23,057</u>
TOTAL NON-MAJOR FUNDS		\$ <u>230,900</u>	\$ <u>235,521</u>
TOTAL GOVERNMENTAL FUNDS		\$ <u>2,952,980</u>	\$ <u>2,905,150</u>

(continued)

TOWN OF GRAND ISLE
SCHEDULE OF CASH AND CASH EQUIVALENTS
June 30, 2009

<u>FUND/ACCOUNT</u>	<u>BANK</u>	<u>6/30/2009 BANK BALANCE</u>	<u>6/30/2009 BOOK BALANCE</u>
PROPRIETARY FUNDS			
WATERWORKS - UNRESTRICTED			
CASH AND CHECKING			
Water	South Lafourche Bank	\$ 3,640	\$ 3,519
Operating (O&M)	Capital One Bank	79,789	82,267
Total Waterworks - Unrestricted		<u>83,429</u>	<u>85,786</u>
WATERWORKS - RESTRICTED			
CASH AND CHECKING			
Waterpipeline - Sinking	South Lafourche Bank	<u>49,162</u>	<u>49,162</u>
		<u>49,162</u>	<u>49,162</u>
LOUISIANA ASSET MANAGEMENT POOL			
Waterpipeline - Reserve		221,040	221,040
Waterpipeline - Depreciation and Contingencies		<u>274,323</u>	<u>274,323</u>
		<u>495,363</u>	<u>495,363</u>
Total Waterworks - Restricted		<u>544,525</u>	<u>544,525</u>
TOTAL WATERWORKS FUND		<u>627,954</u>	<u>630,311</u>
GAS FUND			
CASH AND CHECKING			
Gas Operating	South Lafourche Bank	49,578	9,633
Petty Cash	N/A	-	100
		<u>49,578</u>	<u>9,733</u>
GAS UTILITIES - RESTRICTED			
CASH AND CHECKING			
Meter Deposit	Bank One	<u>43,768</u>	<u>42,577</u>
Total Gas Utilities - Restricted		<u>43,768</u>	<u>42,577</u>
TOTAL GAS UTILITIES FUND		<u>93,346</u>	<u>52,310</u>
TOTAL PROPRIETARY FUNDS		<u>\$ 721,300</u>	<u>\$ 682,621</u>
FIDUCIARY FUNDS			
AGENCY FUNDS			
CASH AND CHECKING			
Grand Isle Relief Fund	South Lafourche Bank	\$ 513	\$ 513
TOTAL FIDUCIARY FUNDS		<u>\$ 513</u>	<u>\$ 513</u>
GRAND TOTAL		<u>\$ 3,674,793</u>	<u>\$ 3,588,284</u>

TOWN OF GRAND ISLE, LOUISIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT/PROJECT NUMBER	GRANT PERIOD FROM TO	GRANT AMOUNT
DIRECT PROGRAMS:				
OFFICE OF HOMELAND SECURITY - FEMA				
Community Disaster Loan - Katrina	97.030	EMT-2006-LF-1603LA33	Project Completion	\$ 112,347
TOTAL OFFICE OF HOMELAND SECURITY				
TOTAL DIRECT PROGRAMS				
PASS-THROUGH PROGRAMS:				
OFFICE OF HOMELAND SECURITY - FEMA				
Passed through State Department of Military Affairs - Office of Emergency Preparedness				
Disaster Assistance - Hurricane Katrina	97.036	(M) FEMA-1603-DR-LA	Project Completion	\$ 5,819,537
Disaster Assistance - Hurricane Rita	97.036	(M) FEMA-1607-DR-LA	Project Completion	32,789
Disaster Assistance - Hurricane Gustav	97.036	(M) FEMA-1785-DR-LA	Project Completion	1,371,962
Disaster Assistance - Hurricane Ike	97.036	(M) FEMA-1792-DR-LA	Project Completion	2,635,688
TOTAL HOMELAND SECURITY				
DEPARTMENT OF JUSTICE				
Passed through Jefferson Parish Department of Emergency Preparedness				
Urban Areas Security Initiative - Multiplex/Emergency Shelter	97.008	COOP Agreement	Project Completion	140,000
TOTAL DEPARTMENT OF JUSTICE				
DEPARTMENT OF AGRICULTURE				
Passed through Louisiana Local Government Facility Planning				
Water Act 2000 - Lafitte to Grand Isle Waterline Project	10 Unknown	Case #22-026-0726014896	Project Completion	9,225,000 (1)
TOTAL DEPARTMENT OF AGRICULTURE				

TOTAL PASS-THROUGH

TOTAL FEDERAL ASSISTANCE

NOTES TO SCHEDULE

This schedule was prepared on the accrual basis of accounting and covers the period from July 1, 2008 to June 30, 2009.

- (1) Amount represents a federal loan, not a grant. Funds were used to construct the new waterline. The bonds to fund this project were issued through the United States Rural Development Authority.
- (2) Amount represents a federal loan, not a grant. Community Disaster Loan of up to \$561,735 was approved in the aftermath of Hurricane Katrina. Only \$112,347 was drawdown.

(M) Represents a "major" program under OMB Circular A-133

ACCRUED (DEFERRED) REVENUE JUNE 30, 2008	CASH RECEIVED		ACCRUED (DEFERRED) REVENUE JUNE 30, 2009	TOTAL REVENUE RECOGNIZED	EXPENDITURES		TOTAL EXPENDITURES
	GRANT	OTHER			FEDERAL	OTHER	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 56,535	\$ 2,043,584	\$ -	\$ 92,511	\$ 2,079,560	\$ 2,079,560	\$ -	\$ 2,079,560
-	-	-	-	-	-	-	-
-	288,114	39,455	66,984	394,553	355,098	39,455	394,553
-	-	-	30,162	30,162	30,162	-	30,162
56,535	2,331,698	39,455	189,657	2,504,275	2,464,820	39,455	2,504,275
73,883	-	-	73,883	-	-	-	-
73,883	-	-	73,883	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ 130,418	\$ 2,331,698	\$ 39,455	\$ 263,540	\$ 2,504,275	\$ 2,464,820	\$ 39,455	\$ 2,504,275
\$ 130,418	\$ 2,331,698	\$ 39,455	\$ 263,540	\$ 2,504,275	\$ 2,464,820	\$ 39,455	\$ 2,504,275

TOWN OF GRAND ISLE

**SCHEDULE OF STATE FUNDING
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

DESCRIPTION OF FUNDING	AMOUNT
Department of Treasury - Tax Allocations	
Tobacco Tax	-
Beer Tax	\$ 6,357
Parish Transportation Funds	175,000
Video Poker Allocation	51,291
Grand Isle Tourist Commission Enterprise Tax	12,500
	<u>245,148</u>
Louisiana Commission on Law Enforcement Grants	
Act 562 - Equipment Grant (P08-7-004)	-
	<u>-</u>
Department of Transportation and Development	
Highway 1 - Maintenance Agreement	12,756
Gas Line Relocation - Grand Isle Bridge	35,054
	<u>47,810</u>
Louisiana Department of Health and Hospitals	
Grand Isle Beach Water Quality Program	3,150
	<u>3,150</u>
Louisiana Office of Community Development	
Louisiana Government Assistance Program (LGAP) ((0708-JFN-0101))	-
	<u>-</u>
Department of the Treasury	
Act 16 of 2005 - Medical Facility and Emergency Shelter Construction	(1) -
Act 17 of 2006 - Medical Facility and Emergency Shelter Construction	(1) -
	<u>-</u>
Governor's Office of Homeland Security and Emergency Preparedness	
Louisiana State Uniform Construction Code Grant	25,133
	<u>25,133</u>
 TOTAL	 <u>\$ 321,241</u>

(1) \$300,000 received but deferred until construction starts.

TOWN OF GRAND ISLE, LOUISIANA

SCHEDULE OF INSURANCE IN FORCE
JUNE 30, 2009

(UNAUDITED)

TYPE OF POLICY/RISKS COVERED	POLICY NO.	INSURER	EXPIRATION DATE
Physical Damage - Water Pipeline	None	N/A - Policy Not Renewed	N/A (1)
FHA Bond	169811017	Continental Casualty	3/1/2010
Fidelity Bonds - Treasurer	142232835	Continental Casualty	3/27/2010
Fidelity Bonds - Police Chief	930005801	Continental Casualty	4/14/2010
Fidelity Bonds - Others	005613505	Continental Casualty	3/1/2010
Fire	CPF 0049103-06	Louisiana Citizen's Coastal Plan	6/30/2010
Flood Insurance			
General/Community Center		Banker's Insurance	8/1/2009
Police Department		Banker's Insurance	8/1/2009
City Hall		Banker's Insurance	8/1/2009
108 Willow Lane		Banker's Insurance	8/1/2009
Commercial Auto - Physical Damage	SCA-9336	Louisiana Municipal Risk Management Association	6/18/2010
Commercial/General Liability	LML-375	Louisiana Municipal Risk Management Association	6/1/2010 (2)
General Total - \$500,000			
Products and Completed Work - \$500,000			
Fire - \$50,000 per occurrence			
Medical - \$1,000 per person			
Medical - \$10,000 per accident			
Each Even Limit - \$500,000			
Premises Damage Limit - \$500,000			
Automotive Liability	LML-375	Louisiana Municipal Risk Management Association	6/1/2010 (2)
Bodily Injury and Property Damage			
Combined - \$500,000 per accident			
Law Enforcement Liability Protection	LML-375	Louisiana Municipal Risk Management Association	6/1/2010 (2)
Total Limit - \$500,000			
Each Wrongful Act - \$500,000			
Each Wrongful Act Deductible - \$1,000			
Public Entity Errors and Omissions	LML-375	Louisiana Municipal Risk Management Association	6/1/2010 (2)
Claims Made			
Total Limit - \$500,000			
Each Wrongful Act - \$500,000			
Each Wrongful Act Deductible - \$1,000			
Standard Workman's Compensation		Louisiana Municipal Risk Management Association	
Hospitalization - Employees		Louisiana Municipal Risk Management Association	

(1) expired at June 30, 2004

(2) to be renewed

TOWN OF GRAND ISLE, LOUISIANA

**SCHEDULE OF WATER RATES AND CONNECTIONS
JUNE 30, 2009**

(UNAUDITED)

CLASS OF CUSTOMER	(1) MINIMUM RATE	RATE PER FIRST 30 UNITS	(3) 2009 # OF CONNECTIONS	(3) 2008 # OF CONNECTIONS
Residential	\$ 6.50 for 30 units	\$3.50 per 1,000 gallons	-	1,641
Non-residential	\$10.00 for 30 units	\$4.00 per 1,000 gallons	-	-
Commercial	\$10.00 for 30 units	\$4.00 per 1,000 gallons	-	136
Industrial	\$25.00 for 30 units	\$7.50 per 1,000 gallons (2)	-	-
Elderly	\$3.25 for 30 units	\$3.50 per 1,000 gallons	-	-
			<u>-</u>	<u>1,777</u>

(1) - one unit equals 100 gallons

(2) - rate was reduced on January 13, 2004 per Ord. No. 796 to \$4.50 per 1,000 gallons

(3) - Jefferson Parish Water District took over billings for system. Breakdown not available.

TOWN OF GRAND ISLE, LOUISIANA

**AGEING OF UTILITY BILLINGS RECEIVABLE
JUNE 30, 2009**

(UNAUDITED)

	(4) 2009 UTILITY BILLING RECEIVABLE		(4) 2008 UTILITY BILLING RECEIVABLE
Current (< 30 days)			
Water	\$ -		\$ -
Gas	13,643		11,584
Garbage	36,970		34,742
Mosquito	-		9,030
Sales tax	190		164
	<u>50,803</u>	36.7%	<u>55,520</u>
>30 days	<u>87,539</u>	63.3%	<u>92,271</u>
	<u>\$ 138,342</u>	100.0%	<u>\$ 147,791</u>

(4) - Jefferson Parish Water District took over billings for system. These amounts are shown as receivable in the Town's Gas Utilities Enterprise Fund. All receivables relating to the Waterworks system now flow through the Parish's Water District.

SINGLE AUDIT SECTION

Paul C. Rivera, CPA

**INDEPENDENT AUDITOR'S REPORT ON
INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

The Honorable David Camardelle, Mayor
and the Board of Aldermen
Town of Grand Isle, Louisiana

I have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Grand Isle, Louisiana, as of and for the fiscal year ended June 30, 2009, which collectively comprise the Town's basic financial statements as listed in the table of contents, and have issued my report thereon dated December 27, 2009. The report on the Town's Governmental Activities was qualified due to the Town not capitalizing its infrastructure (primarily streets) in accordance with generally accepted accounting principles. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Town's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Town's internal control over financial reporting.

My consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, I identified certain deficiencies in internal control over financial reporting that I consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Town's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Town's financial statements is more than inconsequential will not be prevented or detected by the Town's internal control. I consider the deficiencies described in the accompanying schedule of findings and questioned costs to be a significant deficiency in internal control over financial reporting. See comment 09-01.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Town's internal control.

My consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, I consider the significant deficiency 09-01 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of non-compliance and other matters that are required to be reported under *Government Auditing Standards*.

I did note certain other matters that I have reported to management of the Town in a separate letter entitled "Memorandum of Advisory Comments", dated December 27, 2009.

This report is intended for the information of the Town's management, the Louisiana Legislative Auditor, all applicable Federal and State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statutes 24:513, the report is distributed by the Legislative Auditor as a public document.

Paul C. Brier, CPA

December 27, 2009

**INDEPENDENT AUDITOR'S REPORT ON
COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM
AND INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

The Honorable David Camardelle, Mayor
and the Board of Aldermen
Town of Grand Isle, Louisiana

Compliance

I have audited the compliance of the Town of Grand Isle, Louisiana (the "Town") with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. The Town's major federal programs are identified in the Summary of Auditor's Results section of the Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Town's management. My responsibility is to express an opinion on the Town's compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on the Town's compliance with those requirements.

In my opinion, the Town complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control over Compliance

The management of the Town is responsible for establishing and maintaining an effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing my audit, I considered the Town's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over compliance that I consider to be a material weakness, as defined above.

This report is intended for the information of the Town's management, the Louisiana Legislative Auditor, all applicable Federal and State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statutes 24:513, the report is distributed by the Legislative Auditor as a public document.

Paul C. Bui, CPA

December 27, 2009

TOWN OF GRAND ISLE, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Fiscal Year Ended June 30, 2009

SUMMARY OF AUDITOR'S RESULTS

- The auditor's report expresses a qualified opinion on the general purpose financial statements of the Town of Grand Isle, Louisiana (the "Town"), as of and for the year ended June 30, 2009, due to the Town's inability to capitalize infrastructure assets in accordance with generally accepted accounting principles.
- A significant deficiency, which is also considered to be a material weakness, related to the audit of the financial statements is reported in the Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit in Accordance With *Government Auditing Standards*.
- No instances of noncompliance material to the financial statements of the Town were disclosed during the audit.
- No significant deficiencies relating to the audit of the major federal award programs are reported in the Independent Auditor's Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133.
- The auditor's report on compliance for the major federal award programs for the Town expresses an unqualified opinion on all major federal programs.
- There are no findings that are to be reported in accordance with Section 510(a) of OMB Circular A-133.
- The programs tested as major federal award programs include:

CFDA	Program Name
97.036	Public Disaster Assistance - Hurricanes Katrina, Gustav and Ike
- The threshold for determining Type A and Type B programs was \$300,000.
- The Town was considered to be a "low-risk" auditee.
- A management letter was issued for the year ended June 30, 2009.

TOWN OF GRAND ISLE, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED) For the Fiscal Year Ended June 30, 2009

FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Significant Deficiencies

Deficiency # 09-01 - Infrastructure Assets Not Capitalized and Depreciated

Condition:

The Town did not capitalize and depreciate its infrastructure assets as required by generally accepted accounting standards (particularly, its streets and roadways).

Criteria:

Generally accepted government accounting standards require the capitalization and depreciation of infrastructure assets.

Effect:

The Statement of Net Assets for Governmental Activities is misstated by an undetermined amount (i.e., the cost of infrastructure assets less accumulated depreciation). Also, the Statement of Activities for Governmental Activities is misstated by an undetermined amount (i.e., the current year depreciation expense on infrastructure assets).

Cause:

The Town was unable to afford the cost of gathering the data.

Recommendation:

The Town needs to gather the data and present the information in future financial statements.

Management's Response:

The Town's engineer has performed a study of the roads and streets during a damage assessment performed after Hurricanes Gustav and Ike. While we were not able to provide this information to our auditor in time for the FY 08/09 audit, we do plan to provide these costs estimates for the FY 09/10 audit so that these assets can be capitalized and the qualification on our audit may be removed. Thus, we do not expect this to recur in next year's audit.

TOWN OF GRAND ISLE, LOUISIANA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
For the Fiscal Year Ended June 30, 2009**

Status of Prior Year Findings and Deficiencies

See Comment 09-01 Above.

FINDINGS RELATING TO OMB CIRCULAR A-133

Findings and Questioned Costs - Major Federal Awards Programs

NO FINDINGS OR QUESTIONED COSTS NOTED

Status of Prior Year Findings and Questioned Costs - Major Federal Awards Programs

NO FINDINGS OR QUESTIONED COSTS NOTED IN PRIOR YEAR

(END)

MEMORANDUM OF ADVISORY COMMENTS

TOWN OF GRAND ISLE, LOUISIANA

For the Fiscal Year Ended June 30, 2009

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**INTERNAL CONTROL
AND RELATED MATTERS**

Paul C. Rivera, CPA

The Honorable David Camardelle, Mayor
and the Board of Aldermen
Town of Grand Isle, Louisiana

I have audited the financial statements of the Town of Grand Isle, Louisiana, for the fiscal year ended June 30, 2009, and have issued my reports thereon dated December 27, 2009. As part of my audit, I considered the Town's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing an opinion on the financial statements, and not to provide an opinion on the effectiveness of the Town's internal control.

Control deficiencies, which may have been noted during my consideration of the internal control over financial reporting, have been reported on in a separately issued report, entitled "Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*".

This memorandum summarizes various immaterial control deficiencies, instances of noncompliance, and other matters that have come to my attention. While not involving significant control deficiencies or material weaknesses, these matters do present opportunities for strengthening the Town's internal controls and improving the operating efficiency of the Town.

I have already discussed these comments and suggestions with the Town's administrative personnel and have included their responses. I will be pleased to discuss these comments and suggestions with you in further detail at your convenience, perform an additional study of these matters, or assist you in implementing the recommendations.

Paul C. Rivera, CPA

December 27, 2009

TOWN OF GRAND ISLE, LOUISIANA

COMMENTS AND SUGGESTIONS For the Fiscal Year Ended June 30, 2009

PROTECTING THE ASSETS OF THE TOWN

09-1 COMMENT

As noted in the prior year, the Town does not maintain a formal in-house general ledger on its fixed assets. Instead, they have to rely on the listing maintained by the Town CPA. While this listing can be assumed to be reliable, it is not maintained on a timely basis. It is updated annually during the audit. The Town does maintain an informal listing of items with tag numbers, however, this listing does not agree to the amounts recorded as capital assets in the financial statements.

RECOMMENDATION

The Town should reconcile the figures from the audit workpapers and the tagged item listing and establish a true fixed asset ledger. This would include taking an inventory of all assets. This ledger should include the purchase date of the asset, the cost, the funding source, a brief description of the asset, a serial number if available, and the location/department to which the asset is assigned. This ledger should be updated periodically during the year to account for additions and deletions.

RESPONSE

Subsequent to year end, we did install a computerized system to track our fixed assets. The system is written in Microsoft Access. We will work with our CPA to reconcile the assets that we have input into this system with what is on the books of the Town. We do not expect this comment to be made again.

TOWN OF GRAND ISLE, LOUISIANA

COMMENTS AND SUGGESTIONS For the Fiscal Year Ended June 30, 2009

INCREASING THE REVENUES OF THE TOWN

09-2 COMMENT

The Community Center is funded with ad valorem taxes collected by the Parish of Jefferson on behalf of the Playground District No. 16. Playground District No. 16 encompasses the Town of Grand Isle and its surrounding communities. The taxes are typically remitted to the Town by the Parish on a monthly basis in an even amount (typically 1/12th of anticipated revenues).

Historically, the Parish remits the allocation to the Town and keeps a small contingency on hand in case funds are needed. This contingency is typically between 15 and 25 percent of total revenues. During my audit, I noticed that the amount held by the Parish seems to exceed the amount that they typically would hold, thus, the amounts being distributed to the Town are lower than what they should be. Below is a listing of amounts on hand for the past five fiscal years.

	<u>6/30/2005</u>	<u>6/30/2006</u>	<u>6/30/2007</u>	<u>6/30/2008</u>	<u>6/30/2009</u>
Amount on Hand	\$ 122,933	\$ 134,171	\$ 186,365	\$ 253,733	\$ 272,088
Total Revenues	\$ 201,877	\$ 185,625	\$ 220,253	\$ 271,346	\$ 264,355
% of Amount Held to Total Revenues	60.9%	72.3%	84.6%	93.5%	102.9%
Monthly Allocation	\$ 17,000	\$ 17,600	\$ 17,600	\$ 18,000	\$ 23,000

RECOMMENDATION

The Town should contact the Parish to determine why the monthly allocation is not as high as it should be and see if the Parish could increase the amount.

RESPONSE

The Parish's monthly allocation was increased on January 1, 2009 from \$18,000/month to \$23,000/month. Thus, while there still appears to be excess funds on hand at the Parish, the monthly amount appears to be covering our costs. We consider this issue resolved but will monitor it in the future.

COMPLIANCE WITH LAWS AND REGULATIONS

Paul C. Rivera, CPA

The Honorable David Camardelle, Mayor
and the Board of Aldermen
Town of Grand Isle, Louisiana

I have audited the financial statements of the Town of Grand Isle, Louisiana, for the fiscal year ended June 30, 2009 and have issued my reports thereon dated December 27, 2009. As part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, I performed tests of the Town's compliance with certain provisions of laws, regulations, contracts, and grant agreements. However, my objective was not to provide an opinion on compliance with such provisions.

Material instances of noncompliance have already been reported on in a separately issued report, entitled "Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit Performed in Accordance with Government Auditing Standards". The attached schedule of noncompliance with laws and regulations includes certain immaterial instances of noncompliance noted as a result of the items tested.

I have already discussed these findings with the Town's administrative personnel and have included their responses. I will be pleased to discuss these comments with you in further detail at your convenience or to perform any additional study of these matters.

Paul C. Rivera, CPA

December 27, 2009

TOWN OF GRAND ISLE, LOUISIANA
SCHEDULE OF NONCOMPLIANCE WITH
LAWS AND REGULATIONS
For the Fiscal Year Ended June 30, 2009

09-1 FINDING

There are a number of limitations and restrictions contained in the bond indenture which the Town was in compliance with during the fiscal year ended June 30, 2009, except for the following:

Under Section 9 of Ordinance 701, the Waterworks Utility fund is required "to provide revenues in each year, after paying all reasonable and necessary expenses of operating and maintaining the system in such year, of at least 120% of the largest amount of principal and interest falling due on the bonds ... in any future year." Under this requirement, the Waterworks fund should have \$630,990 of surplus funds (\$525,825 - highest principal and interest due times 120%) each year after paying the operating and maintenance costs. The Town has fallen short of this requirement for the past four years. For June 30, 2009, compliance with this requirement could not be calculated because of the take-over of daily operations by the Parish's Water District.

RESPONSE

The Parish has taken over the operations of the Water District effective August 15, 2005. The surplus funds and operating subsidy provided by the Parish should cover any future debt payments required by the bonds. Since the takeover, the Parish has made all of the required payments and the Town has, in turn, paid the bonds as they come due.

09-2. FINDING

Section 13(c) of Ordinance 701 requires that the Town maintain insurance on the Lafitte-to-Grand Isle waterline. The Town let the policy lapse after the premiums quoted nearly tripled from the previous years. Thus, the Town is in violation of the Bond Indenture of the Water Revenue Bonds, Series 2000.

RESPONSE

The Town has tried to obtain insurance on the waterline but cannot afford the premiums quoted. We continue to obtain quotes each year, but the quotes continue to be high due to the waterline occasionally being hit by boats in the Barataria channel. We will continue to obtain quotes and keep them on file.

**STATUS OF PRIOR YEAR
COMMENTS AND FINDINGS**

TOWN OF GRAND ISLE, LOUISIANA

STATUS OF PRIOR YEAR COMMENTS AND FINDINGS

June 30, 2009

Prior Year Comment No.	Prior Year Comment	Status
Internal Control # 08-1	The Town should reconcile tagged item list with fixed asset ledger.	See CY Comment No. 09-1. This should be resolved next year.
Internal Control # 08-2	Community Center not receiving proper monthly allocation from the Parish.	See CY Comment No. 09- 2. Resolved.
Compliance Finding # 08-1	The Town's Waterworks Utilities Fund was in violation of its Revenue Bond covenants due to its inability to meet the targeted surplus ratios called for.	See CY Compliance Finding No. 09-1. Not yet resolved.
Compliance Finding # 08-2	The Town is not insuring the Lafitte-to-Grand Isle waterline as required by the Revenue Bond covenants.	See CY Compliance Finding No. 09-2. Not yet resolved.



Town of Grand Isle

P.O. BOX 200 • 170 LUDWIG LANE • GRAND ISLE, LA 70358 • PH. (985) 787-3196 • FAX (985) 787-3859

DAVID J. CAMARDELLE
MAYOR

EURIS DUBOIS
CHIEF OF POLICE

RAY A. SANTINY
TOWN CLERK

COUNCIL MEMBERS:

RAY A. SANTINY, SEAT A
J.E. LAFONT III, SEAT B
CLIFFORD A. SANTINY, JR., SEAT C
SCOOTER RESWEBER, SEAT D
LEODA B. BLADSACKER, SEAT E

CORRECTIVE ACTION PLAN

December 27, 2009

Louisiana Legislative Auditor's Office
1600 North Third Street
PO Box 94397
Baton Rouge, LA 70804-9397

Gentlemen:

The Town of Grand Isle respectfully submits the following corrective action plan for the fiscal year ended June 30, 2009.

Name and Address of Auditing Firm:

Paul C. Rivera, CPA, 2612 Crestway Road, Marrero, LA 70072

Audit Period:

July 1, 2008 to June 30, 2009

The findings, control deficiencies, and other matters noted during the audit are discussed below. The findings and control deficiencies are numbered consistently with the numbers assigned in the schedule.

FINDINGS AND DEFICIENCIES - FINANCIAL STATEMENT AUDIT

#09-1 The Town has not yet capitalized its infrastructure (primarily streets) in accordance with GASB Statement No. 34.

The Town has been hit by several tropical storms and hurricanes (especially Hurricanes Katrina, Gustav and Ike) over the past few years. We understand that this needs to be done; however, helping our community recover from these storms has a higher priority at this time. We have had our town engineers perform a study of the town's streets and we do now have a listing which we will give to our CPA for the June 30, 2010 audit. We hope this will resolve this matter.

FINDINGS AND DEFICIENCIES - FEDERAL AWARD PROGRAM AUDITS

None were noted.

MANAGEMENT LETTER COMMENTS AND FINDINGS

COMMENTS

09-1 Maintaining In-House Fixed Asset Ledger

We have developed a Microsoft Access file to track our fixed assets and tag numbers. We will work with our CPA to reconcile what we have posted to what is on the books used for the audit. This should be resolved by next year.

09-2 Community Center Monthly Allocation Appears To Be Too Low

The Parish increased the amount being distributed on January 1, 2009. While the Parish continues to hold what appears to be a high balance, the monthly allocation to us is adequate for what we need at this time. We consider this matter resolved.

IMMATERIAL FINDINGS OF NONCOMPLIANCE

09-1 Noncompliance With Water Revenue Bonds Coverage Ratio During Fiscal Year Ended June 30, 2009

The Parish of Jefferson has effectively taken over the operations of the Water District in August 2005. This should relieve the Town of these recurring deficits. We will contact the USRDA to see how we should address compliance with this matter.

09-2 Noncompliance With Water Revenue Bonds Insurance Requirement

We have tried to obtain affordable insurance on the waterline; however, the current market has priced the premiums to a point that the Town cannot afford them. We continue to try to get adequate and affordable insurance, however, due to the waterline occasionally being struck by boats, the premium quotes continue to be unaffordable.

If you have any questions regarding this plan, please do not hesitate to contact me at (985) 787-3196.

Sincerely,



David Camardelle, Mayor
Town of Grand Isle